Calendar No. 2688

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2643

AMENDING CERTAIN SECTIONS OF THE HAWAIIAN ORGANIC ACT, AS AMENDED, RELATING TO THE LEGISLATURE OF THE TERRITORY OF HAWAII

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 8837]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 8837) to amend certain sections of the Hawaiian Organic Act, as amended, relating to the Legislature of the Territory of Hawaii, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The committee held a hearing on the measure at which spokesmen for various groups in Hawaii were heard. The proposal, which has become the committee amendment, to change the effective date of the act to 1958 was widely discussed, and the committee is convinced that it has the support of a majority of the people of Hawaii.

Committee action was unanimous.

PURPOSE OF MEASURE

The purpose of H. R. 8837 is to reapportion the Territorial Legislature of Hawaii on the basis of the present-day concentration of population in the islands.

At present, the legislature is constituted in accordance with the original Hawaiian Organic Act of 1900. This act provides for a Senate of 15 members, and a House of 30 members. (Pertinent provisions are found in sec. 565–575 of title 48, U. S. C.) At that time in 1900, a little less than 40 percent of the population of the Hawaiian Islands resided on Oahu, the island on which is located the city and county of Honolulu, capital of the Territory and its metropolitan center.

Accordingly, the 1900 act entitled Oahu to elect 6 of the 15 senators, or approximately 40 percent, and the other islands of the Hawaiian

group, the so-called out-islands, elected 9. In the 30-member house, Oahu was entitled to 6 seats, and the out-islands to 24.

However, in the 56 years since enactment of the Hawaiian Organic Act, there has been a very marked shift in the concentration of population. Today, more than 72 percent of the population of the Hawaiian Islands lives on Oahu.

H. R. 8837 would recognize this shift in population. It would provide for a house of 51 members, of which Oahu would elect 33, and a 25-member senate of which Oahu would elect 10. Thus, in the senate, the out-islands would continue to have a clear-cut majority but in the house the membership would reflect the present-day concentration of population.

Necessarily, the bill provides for dividing the Territory into new legislative districts, and the reapportionment of the new total membership among the new districts.

APPROVAL OF PEOPLE OF HAWAII

This formula for apportionment in H. R. 8837 is identical with that worked out by the Hawaiian Constitutional Convention of 1950, and which was made a provision of the proposed State Constitution of Hawaii. The proposed constitution was submitted to the voters of Hawaii and overwhelmingly approved by them. It is what was described in the hearing as the "method of equal proportions." Under it, even the least populous of the islands would be entitled to the same number in the house and senate that it now has. That is, no group of voters would lose a representative or a senator. The proportions would be different, but numerically no one would lose.

In the public hearings, and in the several hundred written communications received from the Territory, no one has denied the long overdue need for reapportionment, nor has expressed opposition to the principle. Several alternative methods of redistricting and reapportioning were proposed, however.

The committee gave careful consideration to all of these proposals. Without in any way reflecting on the intrinsic merits and fairness of these alternative proposals, the committee finally concluded that the method worked out by the elected representatives of the people of Hawaii in their constitutional convention and adopted by them, as well as approved by the United States House of Representatives, was the one that should be recommended to the Senate.

The measure was introduced in the House by the elected Delegate from Hawaii, Hon. Elizabeth Farrington, and is supported by the Governor of the Territory, Hon. Samuel Wilder King, and the last Democratic Governor, Hon. Oren E. Long, as well as a number of members of the Territorial legislature and prominent citizens of both parties.

THE COMMITTEE AMENDMENT

As stated, the committee amendment would make the act effective for the 1958 general elections, rather than for those of 1956. The closing date for filing as a candidate for the Hawaiian Legislature is the first Saturday in September, which is the first day of September this year. This date is now less than 6 weeks off.

Very convincing evidence was presented at the hearing that it would be unfair to the voters of Hawaii, to the political parties, and

to the candidates themselves to attempt to put the necessarily complicated redistricting into effect in the few short weeks remaining before the filing date this year. The committee is convinced also that a majority of people of Hawaii are in favor of more deliberate, orderly action in a matter so vital to local self-government.

REPORTS OF EXECUTIVE AGENCIES

The favorable reports of the Department of the Interior and of the Bureau of the Budget to the House Interior Committee on H. R. 8837 are set forth in full below.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., March 13, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This responds to your request for the views of this Department on H. R. 8837, a bill to amend certain sections of the Hawaiian Organic Act, as amended, relating to the Legislature of the Territory of Hawaii.

We recommend that the bill be enacted.

The bill provides for an increase in the size of the two legislative houses of the Territory of Hawaii and a new reapportionment basis for the election of the members of the Territorial legislature.

The Hawaiian Organic Act at present provides for a legislature of 45 members with 15 in the senate and 30 in the house of representatives. Of this number 6 senators and 12 representatives are from the island of Oahu (city and county of Honolulu) and 9 senators and 18 representatives are from the other islands. The organic act also provided in section 55 that "The legislature, at its first regular session after the census enumeration shall be ascertained, and from time to time thereafter shall reapportion the membership in the Senate and House of Representatives among the senatorial and representative districts on the basis of the population in each of said districts who are citizens of the Territory"; as codified at title 48, United States Code, section 562, the phrase "at its first regular session after the census enumeration shall be ascertained," has been omitted as executed and obsolete. Citizens of the Territory are defined as "all citizens of the United States resident in the Hawaiian Islands who were resident there on or since August 12, 1898, and all the citizens of the United States who reside in the Territory of Hawaii for one year . . ." (48 U. S. C. sec. 494).

H. R. 8837 would provide for a legislature of 76 members with 25 in the senate and 51 in the house of representatives. It would appear that increasing the size of the two legislative houses would provide better representation and more effective legislative units. This increase would give recognition to the growth in the population of the Territory and the number and complexity of the problems with which the legislature must cope.

According to the information made available to this Department, the arrangement presently provided in the organic act for reapportionment has not been satisfactory because statistics on Hawaiian citizens by districts were not available prior to the decennial census of 1950. Moreover, the statistical data collected in the decennial census of 1950 has not been published and its accuracy has not been determined (having in mind problems such as the proper classification of servicemen and their dependents).

The problems surrounding this question of reapportionment have constantly been of concern in Hawaii. There has been consistent objection to the reapportionment plan in the organic act because it bases the membership of both houses on population. This objection stems from the fact that such reapportionment would result in the city and county of Honolulu electing a substantial majority of the members of both the senate and the house. The Territory has consistently established the same standards of education and health protection in all parts of the Territory through its centralized departments that exercise overall Territorial jurisdiction. The neighbor islands have also shared in the allocation of public funds on an even more favorable basis than they would have on a basis of comparative population. The legislators from the outlying islands are concerned that in the event of reapportionment, in accordance with the present provisions of the organic act, these standards and favorable allocations of Territorial funds would be allowed to suffer.

We believe that the proposal for reapportionment contained in H. R. 8837 is a reasonable and proper solution to a difficult problem. It would follow the precedent established by the Federal Government as well as many of the States in providing that the senate and the house of the new legislature be elected on different bases to allow the outlying islands, when combined, to have a majority in the senate, and Oahu, the most populous island, to have a majority in the house. This plan conforms with the provisions of the proposed State constitution for Hawaii, which was adopted by the Constitutional Convention of 1950, was approved by the special session of the legislature of 1950, and was ratified at a general election in November 1950.

We have been informed that the Governor of Hawaii and the Territorial legislature favor the enactment of H. R. 8837, and it appears to have a great degree of public support in the Territory.

Since the United States pays to members of the Hawaiian Legislature the sum of $1,000 each in salaries for each regular session, in addition to mileage at the rate of 20 cents per mile (48 U. S. C., sec. 599), enactment of H. R. 8837 would result in an increased Federal expenditure, with respect to such salaries, of $31,000 in each odd-numbered year. Enactment would also result in small additional costs for mileage, but we are not able to estimate these amounts. Should the Congress act favorably on H. R. 6045, which would provide for annual sessions of the legislature, these additional Federal costs would be doubled. In view of the advanced development of the Territory of Hawaii, the committee may wish to consider whether the Territory shall now assume the cost of all legislative expenses.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 14, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your request of February 13 for this Bureau's views on H. R. 8837, a bill to amend certain sections of the Hawaiian Organic Act, as amended, relating to the Legislature of the Territory of Hawaii.

H. R. 8837 would increase the membership of the senate from 15 to 25 members, and the membership of the house from 30 to 51 members. Representation in the senate would be apportioned permanently among six districts. Representation in the house would be subject to reapportionment among 18 districts on the basis of population.

If enacted, this bill would add something over $31,000 to the legislative expenses which are financed biennially by appropriations from the Federal Treasury. Your committee also has under consideration H. R. 6045 which provides for annual sessions of the Hawaiian Legislature, and which, if enacted, would necessitate doubling Federal appropriations to cover legislative expenses.

The Department of the Interior informs us that both H. R. 8837 and H. R. 6045 are consistent with provisions of the proposed State constitution for Hawaii.

This Bureau believes that both bills will increase the effectiveness of the Hawaiian Legislature and are desirable. However, your committee may wish to consider whether the added costs should be borne by the Federal Government or, indeed, if any of the legislative expenses should longer be a burden of the Federal Government in view of the Territory's advanced economic development.

Sincerely yours,

PERCY RAPPAPORT,
Assistant Director.

The Committee unaminously recommends the enactment of H. R. 8837.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF APRIL 30, 1900 (31 STAT. 146; 48 U. S. C. 565)

[SEC. 30. SENATE; NUMBER; TERM.—The senate shall be composed of fifteen members, who shall hold office for four years.]

SEC. 30. SENATE; NUMBER; TERM.—The senate shall be composed of twenty-five members, who shall be elected by the qualified voters of the respective senatorial districts for a term of four years beginning with their election and ending on the day of the second general election after their election: Provided, however, That (1) senators elected at the general election of 1956 shall continue to hold office until the expiration of the terms for which they were elected and shall be deemed to have been elected from

the new senatorial district in which they resided at the time of their election, and (2) that at the first session of the legislature subsequent to the general election of 1958, the legislature shall so assign the senators to long or short terms, that as nearly as possible one-half of them, including the holdover senators, shall hold office for two years and the remaining senators shall hold office for four years. In the event that the legislature fails to make the necessary assignments of short and long terms for senators as herein required, the Governor shall do so.

ACT OF APRIL 30, 1900 (31 STAT. 147; 48 U. S. C. 568)

[SEC. 32. SENATORIAL DISTRICTS.—For the purpose of representation in the senate, until otherwise provided by law, the Territory is divided into the following senatorial districts, namely:

[First district: The Island of Hawaii.

[Second district: The islands of Maui, Molokai, Lanai, and Kahoolawe.

[Third district: The island of Oahu.

[Fourth district: The islands of Kauai and Niihau.]

SEC. 32. SENATORIAL DISTRICTS.—For the purpose of representation in the senate, the Territory is divided into the following senatorial districts, namely:

First senatorial district: That portion of the island of Hawaii known as Puna, Hilo and Hamakua;

Second senatorial district: That portion of the island of Hawaii known as Kau, Kona and Kohala;

Third senatorial district: The islands of Maui, Molokai, Lanai and Kahoolawe;

Fourth senatorial district: That portion of the island of Oahu lying east and south of Nuuanu Street and Pali Road and the upper ridge of the Koolau Range from the Nuuanu Pali to Makapuu Point and all other islands not specifically enumerated;

Fifth senatorial district: That portion of the island of Oahu lying west and north of the fourth senatorial district; and

Sixth senatorial district: The islands of Kauai and Niihau.

ACT OF APRIL 30, 1900 (31 STAT. 147; 48 U. S. C. 569)

[SEC. 33. APPORTIONMENT OF SENATORS.—The electors in the said districts shall be entitled to elect senators as follows:

[In the first district, four;

[In the second district, three;

[In the third district, six;

[In the fourth district, two.]

SEC. 33. APPORTIONMENT OF SENATORS.—The electors in the said senatorial districts shall be entitled to elect senators as follows:

In the first senatorial district, five;

In the second senatorial district, two;

In the third senatorial district, five;

In the fourth senatorial district, five;

In the fifth senatorial district, five;

In the sixth senatorial district, three.

ACT OF APRIL 30, 1900 (31 STAT. 147; 48 U. S. C. 570)

[SEC. 35. HOUSE OF REPRESENTATIVES; NUMBER.—The house of representatives shall be composed of thirty members, elected, except as provided in this chapter, every second year.]

SEC. 35. HOUSE OF REPRESENTATIVES, NUMBER.—The house of representatives shall be composed of fifty-one members, who shall be elected by the qualified voters of the respective representative districts.

ACT OF APRIL 30, 1900 (31 STAT. 147; 48 U. S. C. 574)

[SEC. 38. REPRESENTATIVE DISTRICTS.—For the purpose of representation in the house of representatives, until otherwise provided by law, the Territory is divided into the following representative districts, namely:

[First district: That portion of the island of Hawaii known as Puna, Hilo, and Hamakua.

[Second district: That portion of the island of Hawaii known as Kau, Kona, and Kohala.

[Third district: The islands of Maui, Molokai, Lanai, and Kahoolawe.

[Fourth district: That portion of the island of Oahu lying east and south of Nuuanu street and a line drawn in extension thereof from the Nuuanu Pali to Mokapu Point.

[Fifth district: That portion of the island of Oahu lying west and north of the fourth district.

[Sixth district: The islands of Kauai and Niihau.]

SEC. 38. REPRESENTATIVE DISTRICTS.—For the purpose of representation in the house of representatives, the Territory is divided into the following representative districts:

First representative district: That portion of the island of Hawaii known as Puna;

Second representative district: That portion of the island of Hawaii known as South Hilo;

Third representative district: That portion of the island of Hawaii known as North Hilo and Hamakua;

Fourth representative district: That portion of the island of Hawaii known as Kau and South Kona and that portion of North Kona, for convenience herein referred to as Keauhou, more particularly described as follows: (1) from a point at the seashore between the lands of Holualoa 1 and 2 and Puapuaa 2 running northeasterly along the boundary of Holualoa 1 and 2 to Puu Laalaau; (2) easterly in a straight line to a point called Naohueleelua being the common corner of the lands of Puuanahulu, Kaohe and Keauhou 2d; (3) southeasterly along the common boundary between Hamakua and North Kona Districts to the summit of Mauna Loa; (4) westerly along the common boundary between Kau and North Kona Districts to the easterly boundary of South Kona District; (5) northerly and westerly along the boundary between North and South Kona Districts to the seashore; and (6) northerly along the seashore to the point of beginning;

Fifth representative district: That portion of the island of Hawaii known as Kohala and that portion of North Kona not included in the fourth representative district;

Sixth representative district: The islands of Molokai and Lanai;

Seventh representative district: The islands of Maui and Kahoolawe;

Eighth representative district: That portion of the island Oahu known as Koolaupoko and Koolauloa;

Ninth representative district: That portion of the island of Oahu known as Waialua and Wahiawa:

Tenth representative district: That portion of the island of Oahu known as Ewa and Waianae;

Eleventh representative district: That portion of the island of Oahu, for convenience herein referred to as Kalihi, more particularly described as follows: (1) from the intersection of Kalihi and Auiki Streets running westerly along Auiki Street to Mokauea Street; (2) southwesterly along Mokauea Street extension extended to a point on the outer edge of the reef; (3) westerly along the outer edge of the reef to a point on the Moanalua-Halawa boundary; (4) northerly and northeasterly along the Moanalua-Halawa boundary to the top of Koolau Range; (5) southeasterly along the top of Koolau Range to a place called "Puu Lanihuli'; (6)southwesterly along the top of the ridge between the lands of Kalihi, Kapalama and Nuuanu to Kalihi Street; and (7) southwesterly along Kalihi Street to the point of beginning;

Twelfth representative district: That portion of the island of Oahu, for convenience herein referred to as Upper Nuuanu, more particularly described as follows: (1) from the intersection of King and Kalihi Streets running northeasterly along Kalihi Street to the ridge between the lands of Kalihi, Kapalama and Nuuanu; (2) northeasterly along the top of said ridge to a point on the Koolau Range called Puu Lanihuli; (3) easterly along the top of said range to Pali Road at the Nuuanu Pali; (4) southwesterly along Pali Road to Nuuanu Avenue and southwesterly along Nuuanu Avenue to School Street; (5) northwesterly along School Street to the centerline of the Kapalama drainage canal (Waikiki Branch); (6) southwesterly along said canal to the centerline of the main Kapalama drainage canal; (7) southwesterly along said canal to King Street; and (8) northwesterly along King Street to the point of beginning.

Thirteenth representative district: That portion of the island of Oahu for convenience herein referred to as Kapalama, more particularly described as follows: (1) from the junction of the Honolulu Harbor Channel and the reef running westerly along the outer edge of the reef to Mokauea Street extension extended; (2) northeasterly along Makauea Street extension extended to Sand Island Road; (3) northeasterly along Mokauea Street extension to Auiki Street; (4) easterly along Auiki Street to Kalihi Street; (5) northeasterly along Kalihi Street to King Street; (6) southeasterly along King Street to the center line of the Main Kapalama drainage canal; (7) northerly along said canal to the center line of the Kapalama drainage canal (Waikiki Branch); (8) northeasterly along said canal to School Street; (9) southeasterly along School Street to Nuuanu Avenue; (10) southwesterly along Nuuanu Avenue to the sea, and (11) southwesterly along the middle of Honolulu Harbor and Honolulu Harbor Channel to the point of beginning.

Fourteenth representative district: That portion of the island of Oahu, for convenience herein referred to as Pauoa, more particularly described as follows: (1) from the junction of the Honolulu Harbor Channel and the outer edge of the reef running northeasterly along the middle of Honolulu Harbor Channel and Honolulu Harbor to the intersection of Queen Street and Nuuanu Avenue; (2) northeasterly along Nuuanu Avenue to Pali Road and northeasterly along Pali Road to the top of Koolau Range at the Nuuanu Pali; (3) easterly and southerly along the top of the Koolau

Range to a point called Puu Konahuanui; (4) southwesterly along the top of the ridge between the lands of Nuuanu, Pauoa and Manoa to a mountain peak called Puu Ohia or Tantalus; (5) southwesterly along the top of the ridge between the lands of Makiki and Kalawahine to the intersection of Nehoa Street and Lewalani Drive; (6) southerly along Lewalani Drive and Piikoi Street to Wilder Avenue; (7) easterly along Wilder Avenue to Punahou Street; (8) southerly along Punahou Street to King Street; (9) westerly along King Street to Kalakaua Avenue; (10) southerly along Kalakaua Avenue to the center line of the Ala Wai Canal; (11) westerly along said canal and along the line of said canal extended to the outer edge of the reef; and (12) westerly along the outer edge of the reef to the point of beginning.

Fifteenth representative district: That portion of the island of Oahu, for convenience herein referred to as Manoa and Waikiki, more particularly described as follows: (1) from the intersection of Kalakaua Avenue and the center line of the Ala Wai Canal running northerly along Kalakaua Avenue to King Street; (2) easterly along King Street to Punahou Street; (3) northerly along Punahou Street to Wilder Avenue; (4) westerly along Wilder Avenue to Piikoi Street; (5) northerly along Piikoi Street to Lewalani Drive; (6) northerly along Lewalani Drive to Nehoa Street; (7) northeasterly along the top of the ridge between the lands of Makiki and Kalawahine to a mountain peak called Puu Ohia or Tantalus; (8) northeasterly along the top of the ridge between the lands of Pauoa, Manoa and Nuuanu to a point on the Koolau Range called Puu Konahuanui; (9) southeasterly along the top of said range to a place called Mountain Olympus; (10) southwesterly along the top of Waahila Ridge to the top edge of Palolo Valley; (11) southwesterly along the top edge of said valley to the forest reserve boundary; (12) southwesterly along the southeasterly boundary of Saint Louis Heights tract, series 2 (file plan 464) to the southerly boundary of said tract one hundred feet southeasterly from Alencastre Street; (13) southwesterly parallel to and one hundred feet from Alencastre Street and Saint Louis Drive to Waialae Avenue; (14) westerly along Waialae Avenue to Kapahulu Avenue extended; (15) southerly across Waialae Avenue and along Kapahulu Avenue to Kalakaua Avenue; (16) westerly along Kapahulu Avenue extended to the outer edge of the reef; (17) northwesterly along the outer edge of the reef to a point on the line extended of the center line of the Ala Wai Canal; and (18) easterly along said line to the point of beginning;

Sixteenth representative district: That portion of the island of Oahu, for convenience herein referred to as Kaimuki and Kapahulu, more particularly described as follows: (1) from a point at the seacoast at a place called Black Point running westerly along the seacoast to Kapahula Avenue extended to the sea; (2) easterly across Kalakaua Avenue and easterly and northerly along Kapahula Avenue to Waialae Avenue; (3) easterly along Waialae Avenue to a point one hundred feet easterly of Saint Louis Drive; (4) northeasterly across Waialae Avenue then parallel to and one hundred feet from Saint Louis Drive and Alencastre Street to the southerly boundary of Saint Louis Heights tract, series 2 (file plan numbered 464); (5) northeasterly along the southeasterly boundary of said tract to the forest reserve boundary; (6) northeasterly along the top ridge of Palolo Valley to the top of Waahila Ridge; (7) northeasterly along the top of Waahila Ridge to a point on Koolau Range called Mount Olympus; (8) easterly along the top of the Koolau Range to the top of the ridge between the lands of Waialae Nui and Palolo; (9) southwesterly

along the top of said ridge to a place called Kalepeamoa; (10) southwesterly along Mauumae Ridge to Sierra Drive; (11) southwesterly along Sierra Drive to Waialae Avenue; (12) easterly along Waialae Avenue to Thirteenth Avenue; (13) southwesterly along Thirteenth Avenue and Ocean View Drive to Kilauea Avenue; (14) westerly along Kilauea Avenue to Makapuu Avenue; (15) southwesterly along Makapuu Avenue to Diamond Head Road; and (16) southeasterly along Diamond Head Road to the military road and along the military road extended to the point of beginning;

Seventeenth representative district: That portion of the island of Oahu not included in any other representative district on the island of Oahu, together with all other islands not included in any other representative district;

Eighteenth representative district: The islands of Kauai and Niihau. Wherever a roadway or intersection of one or more roadways is designated as a boundary in any of the above descriptions, the centerline of such roadway or intersection is intended as such boundary.

ACT OF APRIL 30, 1900 (31 STAT. 148; 48 U. S. C. 575)

[SEC. 39. APPORTIONMENT OF REPRESENTATIVES.—The electors in the said districts shall be entitled to elect representatives as follows:

[In the first district, four;

[In the second district, four;

[In the third district, six;

[In the fourth district, six;

[In the fifth district, six;

[In the sixth district, four.]

SEC. 39. APPORTIONMENT OF REPRESENTATIVES.—The electors in said representative districts shall be entitled to elect representatives as follows, prior to the first reapportionment: First, one; second, four; third, one; fourth, one; fifth, one; sixth, one; seventh, five; eighth, two; ninth, two; tenth, two; eleventh, three; twelfth, three; thirteenth, three; fourteenth, five; fifteenth, six; sixteenth, four; seventeenth, three; eighteenth, four.

ACT OF APRIL 30, 1900, AS AMENDED (31 STAT. 150; 48 U. S. C. 562)

SEC. 55. LEGISLATIVE POWER.—The legislative power of the Territory shall extend to all rightful subjects of legislation not inconsistent with the Constitution and laws of the United States locally applicable. [The legislature, at its first regular session after the census enumeration shall be ascertained, and from time to time thereafter, shall reapportion the membership in the senate and house of representatives among the senatorial and representative districts on the basis of the population in each of said districts who are citizens of the Territory; but the] *The* legislature shall not grant to any corporation, association, or individual any special or exclusive privilege, immunity, or franchise without the approval of Congress; nor shall it grant private charters, but it may by general act permit persons to associate themselves together as bodies corporate for manufacturing, agricultural, and other industrial pursuits, and for conducting the business of insurance, savings banks, banks of discount and deposit (but not of issue), loan, trust, and guaranty associations, for the establishment and conduct of cemeteries, and for the construction and operation of railroads,

wagon roads, vessels, and irrigating ditches, and the colonization and improvement of lands in connection therewith, or for colleges, seminaries, churches, libraries, or any other benevolent, charitable, or scientific association. * * * The legislature may by general act provide for the condemnation of property for public uses, including the condemnation of rights-of-way for the transmission of water for irrigation and other purposes.

On or before June 1 of the year 1959, and of each tenth year thereafter, the Governor shall reapportion the members of the house of representatives in the following manner: The total number of representatives shall first be reapportioned among four basic areas; namely (1) the island of Hawaii, (2) the islands of Maui, Molokai, Lanai and Kahoolawe, (3) the island of Oahu and all other islands not specifically enumerated, and (4) the islands of Kauai and Niihau, on the basis of the number of voters registered at the last preceding general election in each of such basic areas and computed by the method known as the method of equal proportions, no basic area to receive less than one member. Upon the determination of the total number of representatives to which each basic area is entitled, such total shall be reapportioned among the one or more representative districts within each basic area on the basis of the number of voters registered at the last preceding general election within each of such representative districts and computed by the method known as the method of equal proportions, no representative district to receive less than one member. Upon any reapportionment, should the total number of voters registered in any representative district be less than one-half of the quotient obtained by dividing the total number of voters registered in the Territory by the total number of members to which the house is entitled, then, as part of such reapprotionment, the basic area within which such representative district lies shall be redistricted by the Governor in such manner that the total number of voters registered in each new representative district therein shall be more than one-half of such quotient.

The Governor shall thereupon issue a proclamation showing the results of such reapportionment, and such reapportionment shall be effective for the election of members to such house for the next five succeeding legislatures.

Original jurisdiction is hereby vested in the supreme court of the Territory to be exercised on the application of any registered voter, made within thirty days following the date specified above, to compel, by mandamus or otherwise, the Governor to perform the above duty; and made within thirty days following the date of such proclamation, to compel, by mandamus or otherwise, the correction of any error made in such reapportionment.

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Calendar No. 2690

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2645

PROVIDING FOR THE MAINTENANCE OF PUBLIC ORDER AND THE PROTECTION OF LIFE AND PROPERTY IN CONNECTION WITH THE PRESIDENTIAL INAUGURAL CEREMONIES

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. BIBLE, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. J. Res. 667]

The Committee on the District of Columbia, to whom was referred the joint resolution (H. J. Res. 667) to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies, after full consideration, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows:

Page 2, line 16, insert a comma after the word "standing".

For many years past, the Commissioners of the District of Columbia have followed the practice every 4 years of forwarding to the Congress, well in advance of the next Presidential inaugural, a number of proposed resolutions relating to certain aspects of such inaugural.

The purpose of this measure is to reduce to 1 resolution the provisions previously contained in 2 resolutions authorizing certain action in connection with Presidential inaugurations, and, would also eliminate the recurring requirement for legislation of this nature, thereby obviating future action of a routine character by the Congress.

This joint resolution, in substance, would accomplish the following:

Authorize an appropriation for District expenses in connection with a Presidential inauguration; authorize the Commissioners to make regulations for the protection of life, health, and property during the "Inaugural period," which by definition includes the day on which the inaugural ceremonies are held, the 5 calendar days prior thereto, and the 4 calendar days subsequent thereto, making a total of 10 calendar days; authorize the granting of special licenses to persons selling goods, wares, and merchandise on the streets of the District during such period; centralize in the Secretary of the Interior (or his designated agent, who might be the Superintendent of National Capital Parks)

the authority to grant permits to the Inaugural Committee for the temporary use of public space under the control of the Federal Government outside of the Capitol Grounds; authorize the Commissioners to grant permits to the Inaugural Committee for the temporary use of public space under their control; authorize the temporary installation of lighting and communication facilities on and over public space, and authorize the Secretary of Defense (or his designated agent) to loan tents, camp appliances, hospital furniture and other equipment to the Inaugural Committee, for use in connection with the inaugural ceremonies. In general, this resolution is designed to provide such general authority as may be necessary to allow certain Federal officials and the Commissioners of the District of Columbia to cooperate fully with the Inaugural Committee in carrying forward the work connected with the Presidential inaugural ceremonies.

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Calendar No. 2691

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2646

AUTHORIZING CONVEYANCE OF LAND NEAR GRAND PRAIRIE, TEX., TO THE STATE OF TEXAS

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. STENNIS, from the Committee on Armed Services, submitted the following

REPORT

[To accompany S. 3356]

The Committee on Armed Services, to whom was referred the bill (S. 3356) to direct the Secretary of the Navy or his designee to convey a 240.55-acre tract of land situated near the city of Grand Prairie, in Dallas County, Tex., to the State of Texas, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows:

On page 7, beginning with line 9, strike out "exist, including but not re-" and insert in lieu thereof the following: "exist." Continue striking out all of lines 10 through 14.

EXPLANATION OF THE AMENDMENT

Inasmuch as the easements originally referenced in the latter portion of section 2 of the bill have already been granted by the Secretary of the Navy, this language is no longer germane, and the amendment merely strikes it from the bill.

PURPOSE OF THE BILL

The purpose of the bill is to authorize and direct the Secretary of the Navy, or his designee, to convey by quitclaim deed, without consideration, 240.55 acres of the United States Naval Outlying Field No. 26803, Grand Prairie, Tex.. to the State of Texas for use by the State National Guard and the Air National Guard and for other military purposes.

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NECESSITY FOR LEGISLATION

In the exercise of its constitutional power to regulate the disposal of Federal property, the Congress by general legislation has provided for maximum utilization of federally owned property and has provided generally and specifically for disposal of surplus property. The principal statute on this subject is the Federal Property and Administrative Services Act, Public Law 152, 81st Congress, as amended. Provisions have been made for transfers of surplus Government-owned property, both real and personal, to States, political subdivisions, and tax-supported or nonprofit institutions for health and educational purposes. Section 203 (k) of the Federal Property and Administrative Services Act, as amended, in effect authorizes these transfers without consideration by providing public benefit allowances of up to 100 percent. Provisions are made for transfers, without compensation to the Government, of surplus realty for historic monument purposes (50 U. S. C. App. 1622h). States or political subdivisions are given a public benefit allowance of 50 percent of the fair value with respect to transfers of surplus realty for park and recreational use (Public Law 616, 80th Cong.). Statutory provisions are made for transfer without monetary consideration of surplus, Government-owned airport property to States or political subdivisions for public airport use (50 U. S. C. 1622).

No general provision of law now in effect authorizes the transfer of surplus Government-owned real property to States for National Guard purposes. Nevertheless, the Congress has by separate law authorized many conveyances of federally owned realty to the various States to be used for National Guard purposes. With rare exceptions, these laws have provided that the transfers pursuant thereto would be subject to reservations of Federal use during national emergencies and were conditioned on automatic reversion in the event of nonuse for National Guard purposes.

During the 83d Congress six real property conveyances were authorized for National Guard purposes by separate acts. During the current session of the 84th Congress, several such bills have become law and others are in various stages of enactment.

PROPERTY TO BE CONVEYED

The United States Naval Outlying Field No. 26803 was established in 1942 on approximately 278 acres of land in Dallas County, Tex., acquired by the Department of the Navy at a cost of $120,336. The land was developed for use as an airfield at a cost of approximately $823,733. During the period 1950–53, the Department of the Army and the Department of the Air Force were authorized to use some of the facilities for the training of the National Guard and Air National Guard of Texas. However, additional facilities were required and, in May 1953, the Department of the Navy authorized the Department of the Army to use the entire installation for National Guard purposes. Since 1953, the Texas National Guard has had the use of all the installation under a Department of the Army license with the exception of certain facilities which are used by the Civil Air Patrol under a license granted by the Department of the Air Force.

BACKGROUND OF THE BILL

In August 1955, the Department of the Navy determined that it had no further requirement for this installation and informed the other military departments of its plans to dispose of the property as excess property if no further military requirement therefor was found. In order to support the continuing requirement of the Texas National Guard for the property described in the bill, the Department of the Army asked that its disposal be withheld. Department of the Army plans to obtain the property by transfer from the Department of the Navy for this purpose have not been completed.

The Texas National Guard has a long-range requirement for the property for the training of units of the National Guard and the Air National Guard. Enactment of this measure will provide for the conveyance of the property to the State under terms and conditions which will permit its use and development for National Guard requirements and will assure its availability for use by the United States in the event of need therefor during a national emergency.

RESERVATIONS AND RESTRICTIONS

The conveyance is to be without consideration and under the condition that the property shall be used for National Guard or military purposes. In the event the property should cease to be used for these purposes, it shall revert to the United States, including all improvements made thereon by the State of Texas during its occupancy without payment of compensation. Mineral rights, including gas and oil, and the right to recapture in the event of a state of war or other national emergency, without payment of compensation, are reserved to the United States.

FISCAL DATA

Enactment of this measure into law will not involve the expenditure of any Federal funds.

DEPARTMENTAL RECOMMENDATION

The Department of the Army, on behalf of the Department of Defense, interposes no objection to the bill, as evidenced by the letter dated July 18, 1956, from the Acting Secretary of the Army, Charles C. Finucane, which is printed below and hereby made a part of this report.

DEPARTMENT OF THE ARMY,
Washington 25, D. C., July 18, 1956.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services,
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to S. 3356, 84th Congress, a bill to direct the Secretary of the Navy or his designee to convey a 245.55-acre tract of land situated near the city of Grand Prairie, in Dallas County, Tex., to the State of

Texas. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The purpose of the bill is to authorize and direct the Secretary of the Navy or his designee to convey 240.55 acres of United States Naval Outlying Field No. 26803, Grand Prairie, Tex., to the State of Texas for use primarily for training of the National Guard and the Air National Guard and for other military purposes, the conveyance to be on condition that the property shall be used for these purposes and to be subject to certain reservations and exceptions, including outstanding easements and rights-of-way for public roads, utility lines, etc., the reservation of mineral rights, including oil and gas, and the right of reentry and use during a national emergency without charge.

The Department of the Army on behalf of the Department of Defense interposes no objection to the above-mentioned bill.

The United States Naval Outlying Field No. 26803 was established in 1942 on approximately 278 acres of land in Dallas County, Tex., acquired by the Department of the Navy at a cost of $120,336. The land was developed for use as an airfield at a cost of approximately $823,733. During the period 1950–53, the Department of the Army and the Department of the Air Force were authorized to use some of the facilities for the training of the National Guard and Air National Guard of Texas. However, additional facilities were required and, in May 1953, the Department of the Navy authorized the Department of the Army to use the entire installation for National Guard purposes. Since 1953 the Texas National Guard has had the use of all of the installation under a Department of the Army license with the exception of certain facilities which are used by the Civil Air Patrol under a license granted by the Department of the Air Force.

In August 1955, the Department of the Navy determined that it had no further requirement for this installation and informed the other military departments of its plans to dispose of the property as excess property if no further military requirement therefor was found. In order to support the continuing requirement of the Texas National Guard for the property described in S. 3356, the Department of the Army asked that its disposal be withheld. Department of the Army plans to obtain the property by transfer from the Department of the Navy for this purpose have not been completed.

The Texas National Guard has a long-range requirement for the property for the training of units of the National Guard and the Air National Guard. Enactment of this measure will provide for the conveyance of the property to the State under terms and conditions which will permit its use and development for National Guard requirements and will assure its availability for use by the United States in the event of need therefor during a national emergency.

The proposed easements referred to in lines 11–14, page 7 of the bill have been granted by the Secretary of the Navy. Therefore, it is recommended that the comma in line 9, page 7 be replaced by a period and that the remainder of section 2 be deleted.

The enactment of this measure will not involve the expenditure of any Department of Defense funds.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

Inasmuch as the committee has requested that the report be expedited, it is submitted without a determination by the Bureau of the Budget as to whether or not it conforms to the program of the President. As soon as such advice is received it will be forwarded to your committee.

Sincerely yours,

CHARLES C. FINUCANE,
Acting Secretary of the Army.

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Calendar No. 2692

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2647

AUTHORIZING THE EXCHANGE OF LANDS BETWEEN THE UNITED STATES AND EL PASO, TEX.

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. STENNIS, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 5519]

The Committee on Armed Services, to whom was referred the bill (H. R. 5519) to authorize and direct the Secretary of the Army to convey certain tracts of land in El Paso County, Tex., to the city of El Paso, Tex., in exchange for certain lands to be conveyed by the city of El Paso, Tex., to the United States Government, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of the bill is to authorize an exchange of lands between the United States, acting through the Secretary of the Army, and the City of El Paso, Tex.

RESERVATIONS AND RESTRICTIONS

H. R. 5519 provides for a conveyance of certain land by the Secretary of the Army to the city of El Paso on condition that the city convey certain land to the United States. The acceptance of the land to be conveyed by the city is implicit in the exchange provisions of the bill.

The authority which H. R. 5519 confers on the Secretary of the Army is designed to permit the imposition of reservations, restrictions, terms, and conditions deemed necessary to fully protect the interests of the United States. Such terms and conditions are to be included in the deed to be executed by the Secretary of the Army, or in ancillary agreements contemporary thereto. For example, adjustment of the east-west runway to the extent necessary to protect the adjacent housing area of the Fort Bliss Military Reservation.

The city also indicated that it will not dispose of property located within the Lynchville area for industrial uses and will consult with the Department of the Army prior to leasing or disposing of other properties owned by it immediately adjacent to the Fort Bliss main post area. It may be necessary to reserve to the United States clearances for the protection of Biggs Air Force Base over areas proposed for conveyance to the city.

Further, it may be necessary to impose restrictions as to the future use of the land so as to conserve the water supply, which is being studied by the United States Geological Survey pursuant to an agreement between the military departments and the city of El Paso in 1952. While the results of the investigations have not yet been reported, it may be necessary to limit the spacing of wells and the rate of withdrawal of water. On the other hand, it may be possible, after the completion of the survey, to provide the city with access to water resources now controlled by the United States.

In addition, the right of the Air Force to construct an interconnecting taxiway and to continue to use the El Paso International Airport without charge, unless a major Air Force unit is located at the airport is assured. The bill also provides for reverter to the United States, at the option of the Secretary of the Army, upon breach of any of the terms or conditions of the conveyance.

Provision is made in the bill for the maintenance by the United States of a cleared safety zone on Fort Bliss Military Reservation adjacent to the west boundary of the El Paso International Airport. The retention of this safety zone is part of the Department of the Army's master plan for Fort Bliss and assurances for its rentention have been given to the city.

LANDS TO BE CONVEYED BY UNITED STATES

The lands to be conveyed by the Secretary of the Army to the city of El Paso, Tex., under the provisions of H. R. 5519 consist of several parcels containing in the aggregate 2,255.453 acres at Fort Bliss and at the Biggs Air Force Base. Four noncontiguous parcels totaling 2,026.833 acres are portions of the Fort Bliss Military Reservation. Two parcels are portions of the area identified in the bill as the "northeast-southwest runway extension area" (El Paso International Airport) and, together with the third parcel, identified in the bill as the "east-west runway extension area" (El Paso International Airport), are a part of the Fort Bliss maneuver area. The maneuver area is separated from the main post by the El Paso International Airport. The fourth Fort Bliss parcel, identified as the "Lynchville area," is separated from the port proper by the main line of the Southern Pacific Railway. The major portion of this parcel was utilized as the Sierra Vista housing area but is now excess to the needs of the Department of Defense. The reporting of the former housing facility, embracing 39.6 acres and improvements to the General Services Administration, in accordance with the Federal Property and Administrative Services Act of 1949, as amended, is under consideration by the Committees on Armed Services.

The remaining 228.62 acres of Government-owned land described in the bill is a part of the 2,685.36 acres formerly a part of Fort Bliss which was set aside in 1942 for the establishment of the El Paso Army Airfield, now Biggs Air Force Base, a Department of the Air

Force installation comprising 6,061.24 acres of Government-owned land. This parcel is adjacent to the Fort Bliss maneuver area and joins the two parcels within Fort Bliss which are a part of the northeast-southwest runway extension area.

LANDS TO BE CONVEYED BY THE CITY

The city-owned land to be conveyed to the United States under the bill consists of 318.88 acres of the "Valdespino area." This land, which is adjacent to Fort Bliss, is being used by the city of El Paso as a municipal golf course.

EFFECT OF BILL

Enactment of this measure would permit necessary adjustment in the east-west runway of El Paso International Airport, either by rotation of the runway or closure of the west end thereof, in order to facilitate its safe use for air transport and at the same time lessen the danger to persons housed at Fort Bliss. An extension of the northeast-southwest runway is also planned by the city, as well as the use of some land as a warehouse site. The proposed exchange would provide the United States with a land corridor connecting the Fort Bliss main post area with the Logan Heights cantonment area.

FISCAL DATA

The enactment of this measure into law will not involve the expenditure of any Federal funds.

DEPARTMENTAL DATA

Neither the Department of the Army, for the Department of Defense, nor the Bureau of the Budget has any objection to H. R. 5519 as is evidenced by the letter dated July 9, 1956, from the Secretary of the Army Brucker which is set out below and made a part of this report.

DEPARTMENT OF THE ARMY,
Washington, D. C., July 9, 1956.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to letters from this Department dated July 11, 1955, and March 14, 1956, in response to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 5519, 84th Congress, a bill to authorize and direct the Secretary of the Army to convey certain tracts of land in El Paso County, Tex., to the city of El Paso, Tex., in exchange for certain lands to be conveyed by the city of El Paso, Tex., to the United States Government. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The Department of the Army on behalf of the Department of Defense is not opposed to the enactment of this measure provided the bill is amended in the manner set forth in this report.

The purpose of the bill is indicated in its title.

The lands to be conveyed by the Secretary of the Army to the city of El Paso, Tex., under the provisions of H. R. 5519 consist of several parcels containing in the aggregate 2,255.453 acres at Fort Bliss and at the Biggs Air Force Base. Four noncontiguous parcels totaling 2,026.833 acres are portions of the Fort Bliss Military Reservation. Two parcels are portions of the area identified in the bill as the "northeast-southwest runway extension area" (El Paso International Airport) and, together with the third parcel, identified in the bill as the "east-west runway extension area" (El Paso International Airport), are a part of the Fort Bliss maneuver area. The maneuver area is separated from the main post by the El Paso International Airport. The fourth Fort Bliss parcel, identified as the "Lynchville area", is separated from the post proper by the main line of the Southern Pacific Railway. The major portion of this parcel was utilized as the Sierra Vista housing area but is now excess to the needs of the Department of Defense. The reporting of the former housing facility, embracing 39.6 acres and improvements to the General Services Administration, in accordance with the Federal Property and Administrative Services Act of 1949, as amended, is under consideration by the Committees on Armed Services.

The remaining 228.62 acres of Government-owned land described in the bill is a part of the 2,685.36 acres formerly a part of Fort Bliss which was set aside in 1942 for the establishment of the El Paso Army Airfield, now Biggs Air Force Base, a Department of the Air Force installation comprising 6,061.24 acres of Government-owned land. This parcel is adjacent to the Fort Bliss maneuver area and joins the two parcels within Fort Bliss which are a part of the northeast-southwest runway extension area.

The city-owned land to be conveyed to the United States under the bill consists of 318.88 acres of the "Valdespino area." This land, which is adjacent to Fort Bliss, is being used by the city of El Paso as a municipal golf course.

Enactment of this measure would permit necessary adjustment in the east-west runway of El Paso International Airport, either by rotation of the runway or closure of the west end thereof, in order to facilitate its safe use of air transport and at the same time lessen the danger to persons housed at Fort Bliss. An extension of the northeast-southwest runway is also planned by the city, as well as the use of some land as a warehouse site. The proposed exchange would provide the United States with a land corridor connecting the Fort Bliss main post area with the Logan Heights cantonment area.

While the Department of the Army favors the enactment of legislation authorizing the exchange of lands under consideration, it is recommended that the enclosed draft bill be substituted for H. R. 5519 for the following reasons:

(*a*) H. R. 5519 provides for a conveyance of certain land by the Secretary of the Army to the city of El Paso on condition that the city convey certain land to the United States. The acceptance of the land to be conveyed by the city is implicit in the exchange provisions of the enclosed draft of a proposed substitute bill.

(*b*) The authority which H. R. 5519 would confer on the Secretary of the Army is not sufficiently broad in scope to permit the imposition of reservations, restrictions, terms, and conditions deemed necessary to fully protect the interests of the United States. Such terms

and conditions should be included in the deed to be executed by the Secretary of the Army or in ancillary agreements contemporary thereto. For example, adjustment of the east-west runway should be required to the extent necessary to protect the adjacent housing area of the Fort Bliss Military Reservation. The city also indicated that it will not dispose of property located within the Lynchville area for industrial uses and will consult with the Department of the Army prior to leasing or disposing of other properties owned by it immediately adjacent to the Fort Bliss main post area. It may be necessary to reserve to the United States clearances for the protection of Biggs Air Force Base over areas proposed for conveyance to the city. Further, it may be necessary to impose restrictions as to the future use of the land so as to conserve the water supply, which is being studied by the United States Geological Survey pursuant to an agreement between the military departments and the city of El Paso in 1952. While the results of the investigations have not yet been reported, it may be necessary to limit the spacing of wells and the rate of withdrawal of water. On the other hand, it may be possible, after the completion of the survey, to provide the city with access to water resources now controlled by the United States. In addition, the right of the Air Force to construct an interconnecting taxiway and to continue to use the El Paso International Airport without charge, unless a major Air Force unit is located at the airport, should be assured. The proposed substitute bill also provides for reverter to the United States, at the option of the Secretary of the Army, upon breach of any of the terms or conditions of the conveyance.

(*c*) No provision is made for the maintenance by the United States of a cleared safety zone on Fort Bliss Military Reservation adjacent to the west boundary of the El Paso International Airport. The retention of this safety zone is part of the Department of the Army's master plan for Fort Bliss and assurances for its retention have been given to the city.

(*d*) Section 4 of H. R. 5519 provides that the property conveyed to the United States shall be administered by the Secretary of the Army. This section has not been included in the enclosed draft bill because it could be construed as prohibiting transfer of the property to another military department in accordance with existing procedures and practices.

Enactment of this measure will not involve the expenditure of any Department of Defense funds.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget has advised that there is no objection to the submission of this report to the Congress.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

A BILL To authorize the Secretary of the Army to convey certain tracts of land in El Paso County, Texas, to the city of El Paso, Texas, in exchange for certain lands to be conveyed by the city of El Paso, Texas, to the United States Government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized, upon such terms and conditions as he may deter-

mine to be in the public interest, to convey to the city of El Paso, a municipal corporation organized and existing under and by virtue of the laws of the State of Texas, the lands and improvements comprising those portions of Fort Bliss Military Reservation and the Biggs Air Force Base situate in El Paso County, Texas, as described in section 2 of this Act, in exchange for that land described in section 3 of this Act and owned by the city of El Paso, Texas, situate in El Paso County. Among its terms and conditions, the deed to the city shall be conditioned upon the agreement by the city of El Paso in (1) the construction by the Department of the Air Force of an interconnecting taxiway between Biggs Air Force Base and El Paso International Airport; and (2) the use of El Paso International Airport by military aircraft. The conveyance to the city shall also provide for a reverter to the United States, at the election of the Secretary of the Army, for breach of any of the terms and conditions by the city of El Paso, its successors and assigns.

SEC. 2. The lands to be conveyed by the United States to the city of El Paso, Texas, consist of portions of Fort Bliss Military Reservation and Biggs Air Force Base with an aggregate of 2,255.453 acres of land and improvements thereon, in several tracts as follows:

(a) East-west runway extension area, a tract of land being and lying in block 80, township 2, parts of sections 32, 33, 34, 35, 41, 40, 39, and 38 of the Texas and Pacific Railway survey, El Paso County, Texas, and part of the Juan and Jacinto Ascarate grant, more particularly described as follows:

Beginning at the southeast corner of the city of El Paso International Airport, formerly known as Ed Anderson Field, same corner being in the northerly right-of-way line of United States Highway 62 known as the Carlsbad Road and said corner being north 81 degrees 10 minutes east a distance of 6,300.6 feet, plus or minus, from a monument marking the easterly right-of-way line of the Texas and New Orleans Railroad Fort Bliss spur as established by the Office of Quartermaster General Construction Division in November 1937, and the northerly right-of-way line of United States Highway 62;

Thence bearing north 81 degrees 10 minutes east and parallel to the northerly right-of-way line of United States Highway 62 at 10,936.0 feet, plus or minus, cross the approximate centerline of the El Paso Natural Gas parallel pipelines and continuing on a bearing or north 81 degrees 10 minutes east for a total distance of 13,728.3 feet, plus or minus, to the proposed southeast corner of this tract;

Thence bearing north 1 degree 1 minute 50 seconds west for a distance of 5,183.76 feet, plus or minus, to the proposed northeast corner of this tract;

Thence bearing south 82 degrees 20 minutes 55 seconds west at 6,670.0 feet, plus or minus, cross the approximate centerline of the El Paso Natural Gas parallel pipelines and continuing on a bearing of south 82 degrees 20 minutes 55 seconds west for a total distance of 13,692.56 feet, plus or minus, to a point in the present easterly boundary of the city of El Paso International Airport, same point being the proposed northwest corner of this tract and bearing south 1 degree 1 minute 10 seconds east from the present northeast corner of the airport property;

Thence bearing south 1 degree 1 minute 50 seconds east and running with and parallel to the existing easterly boundary of said Inter-

national Airport property a distance of 5,468.82 feet, plus or minus, to the northerly right-of-way line of United States Highway 62, the southwest corner of this tract and the point of beginning of this description;

Containing an area of 1,663.08 acres, more or less; subject, however, to an easement for a right-of-way from the Secretary of War, dated May 30, 1944, to the Mountain States Telephone and Telegraph Company and the El Paso Electric Company for a period not to exceed fifty years; beginning in the west line of section 40 and ending in the east line of section 36, said line being along and parallel to United States Highway 62 and 10 feet inside the boundary line of the Fort Bliss Military Reservation; and subject to a further easement for a sixty-foot wide right-of-way to the El Paso Natural Gas Company which bears approximately north 40 degrees 40 minutes west crossing the area as herein described.

(b) Northeast-southwest runway extension area, a tract of land being and lying in portions of sections 29, 28, 21, and 22, block 80, township 2 of the Texas and Pacific Railway survey, El Paso County, Texas, more particularly described as follows:

Beginning at the present northeast corner of the city of El Paso International Airport, marked by an iron pipe and a fence corner, same corner being north 88 degrees 58 minutes 10 seconds east a distance of 7,970.67 feet, plus or minus, from the east boundary of section 19, block 81, and the west boundary of section 30, block 80;

Thence south 88 degrees 58 minutes 10 seconds west and running with the northerly boundary of the international airport for a distance of 83.37 feet, plus or minus, to the most westerly corner of this tract;

Thence north 49 degrees 58 minutes 10 seconds east along the northwesterly boundary of this tract, for a total distance of 12,000.0 feet, plus or minus, to the northwesterly corner of this tract, crossing the southerly boundary of the Biggs Air Force Base property at 312.57 feet, plus or minus, and the easterly boundary of the Biggs Air Force Base at a distance of 10,215.32 feet from the point of beginning of this course;

Thence south 40 degrees 1 minute 50 seconds east along the northerly line of this tract for a distance of 2,000.0 feet, plus or minus, to the southeasterly corner of this tract;

Thence south 49 degrees 58 minutes 10 seconds west for a total distance of 13,512.29 feet, plus or minus, to a point on the present east boundary of the El Paso International Airport which is the southwesterly corner of this tract, crossing the east line of section 21, which is the easterly boundary line of Biggs Air Force Base at 3,460.34 feet, plus or minus, and the south line of said section 21, which is the southeasterly boundary of said air base, at a distance of 5,868.74 feet, plus or minus, from the point of beginning of this course;

Thence north 1 degree 1 minute 50 seconds west along the present easterly boundary of the El Paso International Airport, a distance of 2,506.01 feet, plus or minus, to the point of beginning;

Containing 550.443 acres more or less; subject, however, to an easement to the El Paso Natural Gas Company, which bears north 40 degrees 40 minutes west and extends through section 28; and subject further to the continuing right of the United States, acting by and through the Civil Aeronautics Administration of the Department of Commerce, or its successor in function, to erect, maintain,

and operate, in the northwest quarter of the southeast quarter of section 29, a middle marker for the adjacent airport.

(c) Lynchville area, a tract of land being and lying in the Morningside Heights addition numbered 1000 and part of the north El Paso Heights addition, located in section 21, block 81, township 2, of the Texas and Pacific Railway survey, more particularly described as follows:

Beginning at the centerline intersection of Van Buren Avenue (sixty feet wide) and Pollard Street, which is sixty feet wide:

Thence bearing north 00 degrees 15 minutes east along the centerline of Pollard Street a distance of 2,239.85 feet, plus or minus (plat distance 2,212.0 feet), to the intersection point of the north line of Truman (Buchanan) Avenue with the centerline of Pollard Street;

Thence bearing south 89 degrees 45 minutes east along the north line of Truman (Buchanan) Avenue, same line being also the south boundary of the Texas National Guard area, a distance of 1,075.44 feet, plus or minus (plat distance 1,064.4 feet), to a point in the westerly right-of-way line the Southern Pacific Company (E. P. & S. W.);

Thence bearing south 13 degrees 45 minutes west along the said westerly right-of-way line a distance of 1,492.58 feet, plus or minus, to the point of curve to the left, said curve having a radius of 5,779.65 feet and a long chord distance of 705.69 feet and a bearing of south 10 degrees 15 minutes west;

Thence running with the arc of said curve along the westerly right-of-way line of the Southern Pacific Company (E. P. & S. W.) a distance of 706.10 feet, plus or minus, to the point of tangent;

Thence bearing south 6 degrees 36 minutes west a distance of 94.61 feet, plus or minus, to the intersection of the centerline of Van Buren Avenue extended;

Thence bearing north 89 degrees 43 minutes west along the centerline of Van Buren Avenue a distance of 594.0 feet, plus or minus, to the centerline of Pollard Street and the point of beginning;

Containing an area of 41.93 acres, more or less, including 1.93 acres in Pollard and Van Buren Streets. It being the intention of these notes to describe the area between the centerline of Van Buren Avenue and the north boundary of Truman (Buchanan) Avenue and between the centerline of Pollard Street and the westerly right-of-way line of the Southern Pacific Company, subject to existing right-of-way for utility lines.

SEC. 3. The lands to be conveyed by the city of El Paso, Texas, to the United States consist of approximately 318.88 acres of land situate in the city and county of El Paso, Texas, known as the Valdespino area, being a tract or parcel of land lying in section 17, block 81, township 2 of the Texas and Pacific Railway survey, El Paso County, Texas, more particularly described as follows:

Beginning at a point which is the southwest corner of this tract, and which bears north 1 degree 14 minutes 49 seconds west a distance of 35.0 feet, plus or minus, and then north 88 degrees 41 minutes 7 seconds east a distance of 50.0 feet, plus or minus, from the common corner of sections 16, 17, 21, and 20, in block 81, township 2;

Thence north 1 degree 14 minutes 49 seconds west along the west boundary of this tract and the east boundary of Sheridan Road, a distance of 5,271.75 feet, plus or minus, to the northwest corner of

this tract said point also being a corner of that portion of the United States military reservation known as Logan Heights;

Thence north 88 degrees 49 minutes 29 seconds east along the northerly line of this tract, and the southeasterly line of the military reservation a distance of 3,327.42 feet to a point;

Thence south 1 degree 10 minutes 31 seconds east a distance of 212 feet to a point;

Thence north 88 degrees 49 minutes 29 seconds east a distance of 758.90 feet, plus or minus, to a point for the northeast corner of this tract, said point being on the westerly right-of-way line of the Southern Pacific Company;

Thence south 28 degrees 24 minutes 39 seconds west along the said westerly right-of-way line of the Southern Pacific Company, a distance of 3,115.80 feet, plus or minus, to a point;

Thence north 61 degrees 35 minutes 21 seconds west along the right-of-way line of said railroad company, a distance of 75 feet, plus or minus, to a point which is a common corner of this tract and the right-of-way of the Southern Pacific Company;

Thence south 28 degrees 24 minutes 39 seconds west along the westerly line of the Southern Pacific Company right-of-way line, a distance of 2,742 feet, plus or minus, to a point on said railroad company's right-of-way line and the north line of the Fred Wilson Road seventy-foot right-of-way, said point also being the southeast corner of this tract;

Thence south 88 degrees 41 minutes 07 seconds west along the north of line of Fred Wilson Road, said line being 35 feet north of said road's centerline and along the south line of this tract, a distance of 1,122.32 feet, plus or minus, to the point of beginning, together with all the improvements thereon.

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Calendar No. 2693

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2648

AUTHORIZING USE OF PROPERTY IN MICHIGAN BY LEGION POST

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. CASE of South Dakota, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 8047]

The Committee on Armed Services, to whom was referred the bill (H. R. 8047) granting authority to the Secretary of the Army to renew the license of the Ira D. MacLachlan Post No. 3, the American Legion, Sault Ste. Marie, Mich., to use a certain parcel of land in St. Marys Falls Canal project, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of the bill is to authorize and direct the Secretary of the Army to grant to the Ira D. MacLachlan Post, No. 3, the American Legion, Sault Ste. Marie, Mich., a license for a period of 15 years to occupy and use Government land, with a building thereon, at the St. Marys Falls Canal project, Michigan, without payment of a monetary consideration.

DESCRIPTION OF PROPERTY

The 0.23 parcel of land referred to in the bill is located in the city of Sault Ste. Marie, Mich., within an area of Government owned lands formerly a part of the Fort Brady Military Reservation but which were set aside in 1903 for use in connection with the St. Marys Falls Canal, an authorized river and harbor project. In 1911, the State of Michigan was authorized by the Secretary of War to use the site as a fish hatchery. As an incident of this use, the State relocated on the site a building which had been constructed by the State elsewhere in 1896 at a cost of $3,440. When the license expired in 1930 the building became the property of the United States and on April 15, 1930, the Secretary of War granted the Ira D. MacLachlan Post No. 3, the

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American Legion, Sault Ste. Marie, Mich., a license to use and occupy the property for a period of 5 years. The building was destroyed by fire in 1932 but was rebuilt by the post as required by the terms of the license at a cost reported to be $7,000. The testimony indicated that in 1946 and in 1947, the post spent an additional $18,000 in improvements of this property.

PREVIOUS LEGISLATIVE ACTION

The act of Congress approved June 5, 1936 (49 Stat. 1481) authorized and directed the Secretary of War to grant to the post a license to use and occupy the property for a period of 15 years from the date of the license. The license granted pursuant to this act of September 24, 1936, expired on September 23, 1951. On April 16, 1952, the property was leased to the post for clubhouse purposes for a period of 5 years beginning September 24, 1951, and ending September 23, 1956, at a rental of $300 per annum pursuant to the act of Congress approved August 5, 1947 (61 Stat. 774).

CONTINUED NEED FOR PROPERTY

Continued Federal ownership and control of this property, which is in a sensitive strategic area, is vital to national defense. Because of the highly satisfactory relationship that has been firmly established with the American Legion in its use of this property the Department of the Army favors the continued use of the property by the post.

NEED FOR LEGISLATION

Since the rental requirement of the act of August 5, 1957, cited above, may not be waived administratively, legislative authority such as the enactment of H. R. 8047 is required in order to permit such use without payment of rental.

FISCAL DATA

Enactment into law of this measure will not involve the expenditure of any Federal funds.

DEPARTMENTAL DATA

It will be noted from the report by Secretary of the Army Brucker that the Department of the Army favors the continued use of the property by the American Legion Post. The Bureau of the Budget expresses the view that there does not appear to be any justification for granting the post free use of land owned by the United States even though the building involved was constructed by the post. The position of each agency is contained in letter dated March 30, 1956, from Secretary of the Army Brucker which is set out below and made a part of this report.

DEPARTMENT OF THE ARMY,
Washington, D. C., March 30, 1956.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 8047, 84th Congress, a bill granting authority to the Secretary of the Army to renew the license to the Ira D. MacLachlan Post No. 3, the American Legion, Sault Ste. Marie, Mich., to use a certain parcel of land in Fort Brady Reservation.

The purpose of the bill is to authorize and direct the Secretary of the Army to grant to the Ira D. MacLachlin Post No. 3, the American Legion, Sault Ste. Marie, Mich., a license for a period of 15 years from the date of expiration of the existing lease on September 23, 1956, to occupy and use a certain parcel of Government land, with a building thereon, at the St. Marys Falls Canal, Mich., on the same terms and conditions as provided in the act of Congress approved June 5, 1936 (49 Stat. 1481). The use authorized by the license granted pursuant to the act was without monetary consideration.

The Department of the Army has considered the above-mentioned bill. The 0.23-acre parcel of land referred to in the bill is located in the city of Sault Ste. Marie, Mich., within an area of Government-owned lands, formerly a part of the Fort Brady Military Reservation but which were set aside in 1903 for use in connection with the St. Marys Falls Canal, an authorized river and harbor project. In 1911, the State of Michigan was authorized by the Secretary of War to use the site as a fish hatchery. As an incident of this use, the State relocated on the site a building which had been constructed by the State elsewhere in 1896 at a cost of $3,440. When the license expired in 1930 the building became the property of the United States and on April 15, 1930, the Secretary of War granted the Ira D. MacLachlan Post No. 3, the American Legion, Sault Ste. Marie, Mich., a license to use and occupy the property for a period of 5 years. The building was destroyed by fire in 1932 but was rebuilt by the post as required by the terms of the license at a cost reported to be $7,000.

The act of Congress approved June 5, 1936 (49 Stat. 1481) authorized and directed the Secretary of War to grant to the post a license to use and occupy the property for a period of 15 years from the date of the license. The license granted pursuant to this act of September 24, 1936, expired on September 23, 1951. On April 16, 1952, the property was leased to the post for clubhouse purposes for a period of 5 years beginning September 24, 1951, and ending September 23, 1956, at a rental of $300 per annum pursuant to the act of Congress approved August 5, 1947 (61 Stat. 774).

Continued Federal ownership and control of this property, which is in a highly sensitive strategic area, is vital to national defense. Because of the highly satisfactory relationship that has been firmly established with the American Legion Post in its use of this property the Department of the Army favors the continued use of the property by the post. However, since the rental requirement of the act of August 5, 1947, cited above, may not be waived administratively, legislative authority such as the enactment of H. R. 8047 is required in order to permit such use without payment of rental.

While the Bureau of the Budget has advised that there is no objection to the submission of this report, it has expressed the view that there does not appear to be any justification for granting to an American Legion Post free use of land owned by the United States even though the building involved was constructed by the post. The Bureau of the Budget has recommended that the bill not be enacted.

In the event that H. R. 8047 is favorably considered, adoption of the following minor amendments is recommended.

(*a*) In the title and in lines 6 and 7, page 1, delete the words "Fort Brady Reservation" and substitute therefor the words "St. Marys Falls Canal project."

(*b*) In line 5, page 1, delete the word "license" and substitute the word "lease" therefor.

(*c*) In line 6, page 1, insert the words "and the building thereon" between the words "land" and "situated".

Enactment of this measure will not involve the expenditure of any Department of the Army funds.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

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Calendar No. 2694

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2649

CONVEYANCE OF A CERTAIN TRACT OF LAND TO THE STATE OF TEXAS

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. STENNIS, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 9081]

The Committee on Armed Services, to whom was referred the bill (H. R. 9081) to direct the Secretary of the Army or his designee to convey a 3-acre tract of land situated about 6 miles south of the city of San Antonio, in Bexar County, Tex., to the State of Texas, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of the bill is to authorize the Secretary of the Army or his designee to convey the former Department of Agriculture nursery site near San Antonio, Bexar County, Tex., to the State of Texas for the training of the National Guard and for other military purposes, the conveyance to be without monetary consideration therefor but on condition that the property shall be used for these purposes, and subject to certain reservations including the reservation of mineral rights and the right of reentry and use during a national emergency.

BACKGROUND OF THE BILL

The 3 acres of land described in the bill were purchased in 1915 to provide a site for establishment of a Department of Agriculture nursery. In 1954 the Department of Agriculture determined that the property was excess to its needs, and in October 1955 the Department of Agriculture, acting under instructions received from the General Services Administration, transferred the property to the Department of the Army. The Department of the Army has authorized the National Guard of Texas, which needs the site for the construction of a National Guard armory, to use the property. The

Department of the Army obtained this excess property by transfer in order to support the requirements of the National Guard of Texas.

NECESSITY FOR THE LEGISLATION

In the exercise of its constitutional power to regulate the disposal of Federal property, the Congress by general legislation has provided for maximum utilization of federally owned property and has provided generally and specifically for disposal of surplus property. The principal statute of this subject is the Federal Property and Administrative Services Act (Public Law 152, 81st Cong.), as amended. Provisions have been made for transfers of surplus Government-owned property, both real and personal, to States, political subdivisions, and tax-supported or nonprofit institutions for health and educational purposes. Section 203 (k) of the Federal Property and Administrative Services Act, as amended, in effect authorizes these transfers without consideration by providing public-benefit allowances of up to 100 percent. Provisions are made for transfers, without compensation to the Government, of surplus realty for historic-monument purposes (50 U. S. C. App. 1622h). States or political subdivisions are given a public-benefit allowance of 50 percent of the fair value with respect to transfers of surplus realty for park and recreational use (Public Law 616, 80th Cong.). Statutory provisions are made for transfer without monetary consideration of surplus, Government-owned airport property to States or political subdivisions for public airport use (50 U. S. C. 1622).

No general provision of law now in effect authorizes the transfer of surplus Government-owned real property to States for National Guard purposes. Nevertheless, the Congress has by separate law authorized many conveyances of federally owned realty to the various States to be used for National Guard purposes. With rare exceptions, these laws have provided that the transfers pursuant thereto would be subject to reservations of Federal use during national emergencies and were conditioned on automatic reversion in the event of nonuse for National Guard or other military purposes.

FISCAL DATA

Enactment into law of this measure will not involve the expenditure of any Federal funds.

DEPARTMENTAL DATA

Neither the Department of the Army nor the Bureau of the Budget has any objection to this bill as is evidenced by the letter dated July 5, 1956 from the Secretary of the Army Wilber M. Brucker which is set out below and made a part of this report.

DEPARTMENT OF THE ARMY,
Washington, D. C., July 5, 1956.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to S. 3201, 84th Congress, a bill to direct the Secretary of the Army or his designee to convey a 2.915-acre tract of land situated about 6 miles south of the city of San Antonio, in Bexar County, Tex., to the State of Texas. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The purpose of the bill is to authorize the Secretary of the Army or his designee to convey the former Department of Agriculture nursery site near San Antonio, Bexar County, Tex., to the State of Texas for the training of the National Guard and Air National Guard and for other military purposes, the conveyance to be without monetary consideration therefor but on condition that the property shall be used for these purposes, and subject to certain reservations including the reservation of mineral rights and the right of reentry and use during a national emergency.

The Department of the Army on behalf of the Department of Defense interposes no objection to the above-mentioned bill but recommends that it be amended in the manner set forth in this report.

The 3 acres of land described in the bill were purchased in 1915 to provide a site for establishment of a Department of Agriculture nursery. In 1954 the Department of Agriculture determined that the property was excess to its needs and in October 1955 the Department of Agriculture, acting under instructions received from the General Services Administration, transferred the property to the Department of the Army. The Department of the Army has authorized the National Guard of Texas, which needs the site for the construction of a National Guard armory, to use the property.

The Department of the Army obtained this excess property by transfer in order to support the requirements of the National Guard of Texas. Therefore, the Department of the Army favors the enactment of this measure. However, in order to provide for the conveyance of the entire 3 acres to the State of Texas, including the 0.085 acre over which the Texas State Highway Department was authorized by the Secretary of Agriculture in 1937 to widen State Highway No. 9, it is recommended that the title of the bill be amended to read:

> A bill to direct the Secretary of the Army or his designee to convey a three-acre tract of land situated about six miles south of the city of San Antonio, in Bexar County, Texas, to the State of Texas.

In furtherance of this objective, it is recommended that a period be substituted for the comma at the end of line 18, page 3, of the bill, and that lines 19 and 20 be deleted.

It is further recommended that the phrase "and Air National Guard" appearing on lines 1 and 2, page 4, be deleted. Present requirements do not contemplate Air National Guard use of the land or the armory to be constructed thereon.

Enactment of this measure will not involve the expenditure of any Department of Defense funds.

A similar report on H. R. 9081, 84th Congress, a similar bill, has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advised with respect to a similar report on H. R. 9081, 84th Congress, a similar bill, that there was no objection to the submission of that report to the Congress.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

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Calendar No. 2695

84TH CONGRESS, 2d Session — SENATE — REPORT No. 2650

AUTHORIZING THE CONVEYANCE OF CERTAIN LAND TO THE STATE OR OREGON

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. STENNIS, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 9699]

The Committee on Armed Services, to whom was referred the bill (H. R. 9699) to provide for the conveyance to the State of Oregon of the land and improvements known as the Clackamas National Guard target range, at Clackamas, Oreg., to be used for National Guard purposes, having considered the same, report favorably thereon with amendments, and recommend that the bill, as amended, do pass.

AMENDMENTS TO THE BILL

On page 2, line 20, strike out "charge, except as indicated below" and insert in lieu thereof the following: "payment of any kind".

On page 3, beginning with line 2, strike out "*Provided, however,* That the" and all of lines 3 through 7.

PURPOSE OF THE AMENDMENTS

The purpose of the amendments is to make clear that the Government's right to recapture this property during a period of national emergency shall be without payment of any kind.

PURPOSE OF THE BILL

The purpose of the bill is to authorize the Secretary of the Army to convey 233.91 acres of Government-owned land in Clackamas County, Oreg., now used by the State of Oregon National Guard as a firing range and storage depot, to the State of Oregon, the conveyance to be without consideration therefor and on condition that it shall be used for military purposes only and subject to the reservation of all mineral

rights, including gas and oil, and the right of reentry and use of the property during a national emergency.

BACKGROUND OF THE BILL

The 233.91 acres identified in section 1 of the bill were acquired by the United States during that period 1910–19 at a cost of $60,767 to provide a target range for the training of the Oregon National Guard. The installation, known as the Clackamas National Guard target range, has been actively used by the Oregon National Guard as a target range for the training of the National Guard and civilian components, as well as for storage, maintenance and repair of National Guard supplies and equipment. In developing the property for military use, the Federal Government has expended $270,442.40 for buildings and the State of Oregon has spent $212,389.96 for this purpose. The utilities also were constructed by the State of Oregon.

The Oregon National Guard has a continuing requirement for the use of this property for National Guard purposes. Enactment of this measure will provide for the conveyance of title to the property to the State and will facilitate plans of the Oregon National Guard for further development of the installation.

NECESSITY FOR THE LEGISLATION

In the exercise of its constitutional power to regulate the disposal of Federal property, the Congress by general legislation has provided for maximum utilization of federally owned property and has provided generally and specifically for disposal of surplus property. The principal statute of this subject is the Federal Property and Administrative Services Act, Public Law 152, 81st Congress, as amended. Provisions have been made for transfers of surplus Government-owned property, both real and personal, to States, political subdivisions, and tax-supported or nonprofit institutions for health and educational purposes. Section 203 (k) of the Federal Property and Administrative Services Act, as amended, in effect authorizes these transfers without consideration by providing public-benefit allowances of up to 100 percent. Provisions are made for transfers, without compensation to the Government of surplus realty for historic-monument purposes (50 U. S. C. App. 1622h). States or political subdivisions are given a public-benefit allowance of 50 percent of the fair value with respect to transfers of surplus realty for park and recreational use (Public Law 616, 80th Cong.). Statutory provisions are made for transfer without monetary consideration of surplus, Government-owned airport property to States or political subdivisions for public airport use (50 U. S. C. 1622).

No general provision of law now in effect authorizes the transfer of surplus Government-owned real property to States for National Guard purposes. Nevertheless, the Congress has by separate law authorized many conveyances of federally owned realty to the various States to be used for National Guard purposes. With rare exceptions, these laws have provided that the transfers pursuant thereto would be subject to reservations of Federal use during national emergencies and were conditioned on automatic reversion of title to the United States in the event of nonuse for National Guard or other military purposes.

FISCAL DATA

Enactment into law of this measure will not involve the expenditure of any Federal funds.

DEPARTMENTAL DATA

Neither the Department of the Army nor the Bureau of the Budget has any objection to this bill as is evidenced by the letter dated May 15, 1956, from Secretary of the Army Wilber M. Brucker which is set out below and made a part of this report.

DEPARTMENT OF THE ARMY,
Washington, D. C., May 15, 1956.

HON. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 9699, 84th Congress, a bill to provide for the conveyance to the State of Oregon of the land and improvements known as the Clackamas National Guard target range, at Clackamas, Oreg., to be used for National Guard purposes. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The purpose of the bill is to authorize the Secretary of the Army to convey 233.91 acres of Government-owned land in Clackamas County, Oreg., now used by the State of Oregon National Guard as a firing range and storage depot to the State of Oregon, the conveyance to be without consideration therefor and on condition that it shall be used for military purposes only and subject to the reservation of all mineral rights, including gas and oil, and the right of reentry and use of the property during a national emergency.

The Department of the Army on behalf of the Department of Defense interposes no objection to the above-mentioned bill.

The 233.91 acres identified in section 1 of the bill were acquired by the United States during the period 1910–19 at a cost of $60,767 to provide a target range for the training of the Oregon National Guard. The installation, known as the Clackamas National Guard target range, has been actively used by the Oregon National Guard as a target range for the training of the National Guard and civilian components, as well as for storage, maintenance, and repair of National Guard supplies and equipment. In developing the property for military use, the Federal Government has expended $270,442.40 for buildings and the State of Oregon has spent $212,389.96 for this purpose. The utilities were also constructed by the State of Oregon.

The Oregon National Guard has a continuing requirement for the use of this property for National Guard purposes. Enactment of this measure will provide for the conveyance of title to the property to the State and will facilitate plans of the Oregon National Guard for further development of the installation. The bill, which conforms generally with similar legislation enacted in recent years with reference to other properties held by the Department of the Army primarily for the training and support of the National Guard of the several States, is considered appropriate for this purpose.

Enactment of this measure will not involve the expenditure of any Department of Defense funds.

This report has been coordianted within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

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Calendar No. 2696

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2651

AUTHORIZING THE DISPOSITION OF CERTAIN PROPERTY AT THE SHARPE GENERAL DEPOT, CALIF.

JULY 19 (legislative day JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 9970]

The Committee on Armed Services, to whom was referred the bill (H. R. 9970) to provide for the disposition of the Stockton Air Force Station and the Stockton Annex, Sharpe General Depot, Calif., having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

AMENDMENT TO THE BILL

On page 1, lines 7 and 8, strike out "ninety-six and eighty-five" and insert in lieu thereof the following: "one hundred and eighteen and forty-four".

PURPOSE OF THE AMENDMENT

The purpose of the amendment is to combine the provisions of H. R. 7761, a bill to provide for the conveyance of a portion of the Sharpe General Depot, Calif., to the Stockton Port District, and H. R. 9970 into one land transfer action. The House of Representatives passed H. R. 7761 on February 6, 1956, authorizing the conveyance by quitclaim deed of approximately 21.59 acres of land located within the Stockton Annex area of the Sharpe General Depot Military Reservation. On June 5, 1956, the House passed H. R. 9970, authorizing the transfer of an additional 96.85 acres, by quitclaim deed, located at the Stockton Annex. The total acreage involved in the Army property involved in these 2 bills equals 118.44 acres comprising the entire Stockton Annex of the Sharpe General Depot. The amendment therefore, simply combines the land transfer items previously considered separately.

PURPOSE OF THE BILL

The purpose of the bill is to provide for the conveyance of the 118.44 acres comprising the Stockton Annex, Sharpe General Depot, and the 138.56 acres comprising the Stockton Air Force Station, together with all appurtenances pertaining thereto and improvements located thereon, and a perpetual easement for roadway and drainage ditch purposes over 2.9 acres of privately owned land, to the Stockton Port District on or before January 1, 1957, the conveyance to be by quitclaim deed and for a monetary consideration determined by the Secretary of the Army to represent the fair market value of the property to be conveyed.

BACKGROUND

The Sharpe General Depot comprises four dispersed facilities in the vicinity of Stockton, Calif. Three of the facilities, including the Stockton Annex, are located on Government-owned land. The Field Annex, located approximately 4 miles southeast of the city of Stockton, comprises approximately 71 acres which has been held for several years under leases with the owner, the city of Stockton, at rentals totaling $1,391 per annum. In order to consolidate some of the activities carried on at these facilities and to minimize the overall cost of maintenance and operation, the Department of the Army early in 1955 began the rehabilitation of housing facilities at the Field Annex and plans to transfer the 325 enlisted personnel now housed at the Stockton Annex to the Field Annex. Subject to the completion of these plans, the Department of the Army will have no further requirement for the Stockton Annex. It now appears that the rehabilitation work will be completed during the fall of 1956.

Since the Department of the Army has a long-range requirement for the Field Annex, it is desirous of acquiring the fee to such property, thereby obviating the necessity of continued rental payments. The conveyance of the Stockton Annex and acquisition of the Field Annex are essentially one transaction. However, the city of Stockton, owner of the Field Annex, is an entity distinct from the Stockton Port District, proposed grantee of the property being relinquished. It was therefore recommended that the bill be amended to authorize purchase of the Field Annex property and to make the funds received from the sale of the Stockton Annex property available therefor. To accomplish that purpose the Army recommended there should be added to the bill a new section granting this authority.

The committee did not find itself in agreement with the Department of the Army in this respect since the proposal is not consistent with normal budgetary practices and could constitute an undesirable precedent for future conveyances and other actions which could similarly lend themselves to retention of funds for expenditure by the Department concerned.

The current and foreseeable requirements of the Department of the Air Force for the Stockton Air Force Station are limited to the use of two warehouses and certain hardstand areas. Recent discussions between representatives of the Department of the Air Force and the Stockton Port District indicates that in the event of transfer of title to the Stockton Air Force Station to the Stockton Port District, satisfactory arrangements can be made for the long-term use of these facilities.

PROPERTY TO BE CONVEYED

In 1941 the War Department acquired 277.07 acres of land on the Stockton deep-water channel adjacent to the southwest of the city of Stockton, Calif., at a cost of $189,400 to provide for the establishment of a motor-repair shop and motor-parts depot, which was constructed at a cost of $3,178,761. After the close of World War II, leasehold interests in 518.70 acres of adjoining land were terminated and in 1948 the War Assets Administration sold 20.07 acres of the 277.07 acres as surplus property. In 1955, an area embracing the 138.56 acres identified in section 2 of H. R. 9970, the depot facilities located thereon, and perpetual easements for roadway and drainage purposes over 2.9 acres of privately owned lands identified in section 2 of the of the bill, were transferred to the Department of the Air Force, which has designated the installation as the Stockton Air Force Station. The 118.44 acres and troop-housing facilities located thereon retained by the Department of the Army is known as the Stockton Annex, Sharpe General Depot, and has been used by the Quartermaster Corps for training purposes.

The acreage involved in H. R. 7761 consists of 2 parcels of land aggregating 21.59 acres. The first parcel comprises 16.83 acres located on the western boundary of the Stockton Annex and adjoins property of the Stockton Port District. The second parcel, comprising 4.76 acres, consists of a strip of land along the north boundary of the installation.

GENERAL SERVICES ADMINISTRATION ACTION

It will be noted that the Department's report on the bill suggests that the views of the General Services Administration be obtained with respect to the conveyances contemplated by H. R. 9970.

The Administrator of the General Services Administration gave testimony to the effect that that Administration had no objection to the bill.

FISCAL DATA

Enactment into law of this measure will not involve the expenditure of any Federal funds.

DEPARTMENTAL RECOMMENDATIONS

Neither the Department of Defense nor the Bureau of the Budget has any objection to the proposed legislation, as is evidenced by letters dated May 11, 1956, and May 28, 1956, from the Department of the Army. The objection raised by the Bureau of the Budget, which is set out in the Department of the Army letter dated May 28, 1956, was removed by appropriate action in the other body. The suggestion contained in the Department of the Army letter dated May 11, 1956, relative to combining H. R. 7761 and H. R. 9970, was adopted by the committee.

DEPARTMENT OF THE ARMY,
Washington, D. C., May 11, 1956.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 9970, 84th Congress, a bill to provide for the disposition of a portion of Sharpe General Depot, Stockton Annex, California. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The purpose of the bill is to provide for the conveyance of 96.85 acres of the 118.44 acres comprising the Stockton Annex, Sharpe General Depot, and the 118.56 acres comprising the Stockton Air Force Station, together with all appurtenances pertaining thereto and improvements located thereon, and a perpetual easement for roadway and drainage ditch purposes over 2.90 acres of privately owned land, to the Stockton Port District on or before January 1, 1957, the conveyance to be by quitclaim deed and for a monetary consideration determined by the Secretary of the Army and the Secretary of the Air Force, respectively, to represent the fair market value of the property to be conveyed.

The Department of the Army, on behalf of the Department of Defense, has considered the above-mentioned bill. In 1941, the War Department acquired 277.07 acres of land on the Stockton deepwater channel adjacent to the southwest of the city of Stockton, Calif., at a cost of $189,400 to provide for the establishment of a motor-repair shop and motor-parts depot, which was constructed at a cost of $3,178,761. After the close of World War II, leasehold interests in 518.70 acres of adjoining land were terminated and in 1948 the War Assets Administration sold 20.07 acres of the 277.07 acres as surplus property. In 1955, an area embracing the 138.56 acres identified in section 2 of H. R. 9970, the depot facilities located thereon, and perpetual easements for roadway and drainage purposes over 2.90 acres of privately owned lands identified in section 1 of the bill, were transferred to the Department of the Air Force, which has designated the installation as the Stockton Air Force Station. The 118.44 acres and troop-housing facilities located thereon retained by the Department of the Army is known as the Stockton Annex, Sharpe General Depot, and has been used by the Quartermaster Corps for training purposes. H. R. 7761, 84th Congress, which passed the House of Representatives on February 6, 1956, provides for the conveyance of 21.59 acres of the Stockton Annex to the Stockton Port District for a consideration determined by the Secretary of the Army to represent its fair market value. The bill also provides for the payment of the cost of relocating or reconstructing facilities on the land elsewhere on the 96.85 acres indentified in section 1 of H. R. 9970.

The Sharpe General Depot comprises four dispersed facilities in the vicinity of Stockton, Calif. Three of the facilities, including the Stockton Annex, are located on Government-owned land. The Field Annex, located approximately 4 miles southeast of the city of Stockton, comprises approximately 71 acres which has been held for several years

under leases with the owner, the city of Stockton, at rentals totaling $1,391 per annum. In order to consolidate some of the activities carried on at these facilities and to minimize the overall cost of maintenance and operation, the Department of the Army early in 1955 began the rehabilitation of housing facilities at the Field Annex and plans to transfer the 325 enlisted personnel now housed at the Stockton Annex to the Field Annex. Subject to the completion of these plans, the Department of the Army will have no further requirement for the Stockton Annex. It now appears that the rehabilitation work will be completed during the fall 1956.

Since the Department of the Army has a long-range requirement for the Field Annex, it is desirous of acquiring the fee to such property, thereby obviating the necessity of continued rental payments. The conveyance of the Stockton Annex and acquisition of the Field Annex are essentially one transaction. However, the city of Stockton, owner of the Field Annex, is an entity distinct from the Stockton Port District, proposed grantee of the property being relinquished. It is therefore recommended that the bill be amended to authorize purchase of the Field Annex property and to make the funds received from the sale of the Stockton Annex property available therefor. To accomplish that purpose there should be added to the bill a new section substantially as follows:

"SEC. 4. The Secretary of the Army is authorized to purchase, upon such terms and conditions as he deems appropriate, the property known as the Field Annex, Sharpe General Depot, California, consisting of approximately seventy-one acres. The funds received from the sale authorized by section 1 hereto shall be credited to the appropriation, 'Military Construction, Army,' and shall be available to accomplish such purchase: *Provided*, That when such purchase is completed, the unexpended balance of such funds shall be covered into the Treasury of the United States as miscellaneous receipts."

The current and foreseeable requirements of the Department of the Air Force for the Stockton Air Force Station are limited to the use of two warehouses and certain hardstand areas. Recent discussions between representatives of the Department of the Air Force and the Stockton Port District indicate that, in the event of transfer of title to the Stockton Air Force Station to the Stockton Port District, satisfactory arrangements can be made for the long-term use of these facilities.

Subject to the completion of the rehabilitation of housing facilities at the Field Annex and satisfactory arrangements for the use of required facilities at the Stockton Air Force Station, the Department of Defense would interpose no objection to the disposition of the Stockton Annex and the Stockton Air Force Station in any manner determined to be appropriate. If the enactment of legislation to provide specifically for the disposition of these properties is favorably considered, it is suggested that the bill be amended to provide for the conveyance of the property identified in H. R. 9970 and H. R. 7761. It is also suggested that the title of the bill be amended to read as follows: "To provide for the disposition of the Stockton Air Force Station and the Stockton Annex, Sharpe General Depot, California." Attention is invited to the fact that the easement referred to in line 9, page 1, of the bill, relates to the Stockton Air Force Station instead of the Stockton Annex, Sharpe General Depot. It is further recom-

mended that the word "upon" be inserted after the word "made" in line 8 of page 2 of the bill.

Inasmuch as the enactment of this measure would provide for the negotiated sale of excess property for which there may be other Federal requirements, the committee may wish to obtain the views of the General Services Administration concerning the effect of its enactment on its administration of laws pertaining to the utilization of excess property and the disposition of surplus property.

Enactment of this measure will not involve the expenditure of any Department of Defense funds.

This report has been coordinated within the Department of Defense in accordance with precedures prescribed by the Secretary of Defense.

Inasmuch as the committee has requested that the report be expedited, it is submitted without a determination by the Bureau of the Budget as to whether or not it conforms to the program of the President. However, as soon as such advice is received, it will be forwarded to your committee.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., May 28, 1956.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Reference is made to the letter of May 11, 1956, from the Secretary of the Army to you expressing the views of the Department of Defense with respect to H. R. 9970, 84th Congress, a bill to provide for the disposition of a portion of Sharpe General Depot, Stockton Annex, California.

Inasmuch as the committee had requested that action be expedited, the report was submitted to the committee without a determination by the Bureau of the Budget as to whether it conformed to the program of the President.

This is to inform you that the Bureau of the Budget, on May 28, 1956, advised the Department of the Army as follows:

"* * * that while the Bureau of the Budget concurred in that portion of your proposed report which relates to the land transfer contemplated in H. R. 9970, it does not agree with the additional proposal presented in that report. The Bureau believes that the proposed acquisition of the Field Annex which the Department of the Army proposes to accomplish by the use of a further section to the bill should be handled instead by the normal procedures for acquiring land or facilities * * *."

Sincerely,

C. J. HAUCK, Jr.,
Brigadier General, General Staff,
Chief of Legislative Liaison.

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Calendar No. 2697

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2652

AUTOMATIC RADIOTELEGRAPH CALL SELECTORS FOR CERTAIN UNITED STATES CARGO VESSELS

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

[To accompany H. R. 4090]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H. R. 4090) to amend part II of title III of the Communications Act of 1934, so as to require the installation of an automatic radiotelegraph call selector on cargo ships of the United States carrying less than two radio operators, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The purpose of H. R. 4090 as it was referred to this committee would require the installation of an automatic radiotelegraph call selector on certain cargo ships of the United States carrying less than two radio operators. This is more fully set out in the report of the House Committee on Interstate and Foreign Commerce (House Rept. No. 1618) which accompanied the bill when it was reported by that committee on August 1, 1955.

Your committee feels that additional practical examination is necessary before action is taken by the Congress. It has had an opportunity to hold only 1 day's hearing in the short time that has been available since the bill passed the House.

Consequently, your committee has stricken out the text of H. R. 4090 as it was referred to the committee on June 14, 1956, and has provided in an amendment that the Federal Communications Commission, the United States Coast Guard, and the Federal Maritime Administration shall make a full and complete study and investigation of the matter (including other such safety devices) and report to the Congress not later than March 1, 1957, together with their recommendations for such legislation as may be necessary.

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Calendar No. 2697

73D CONGRESS } SENATE { REPORT
2d Session } { No. 1297

ADMINISTRATION OF CERTAIN LAWS RELATING TO
CERTAIN STATES AND TERRITORIES

MARCH 1, 1934.—Ordered to be printed

Mr. [illegible], from the Committee on [illegible], submitted the following

REPORT

[illegible]

[illegible] Congress, [illegible] Session, [illegible] Bill [illegible]

[illegible] Committee on [illegible], to which was referred [illegible] Bill [illegible] Congress, [illegible] Session, [illegible] Bill [

Calendar No. 2699

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2654

WITHDRAWING AND RESTORING TO ITS PREVIOUS STATUS UNDER THE CONTROL OF THE TERRITORY OF HAWAII CERTAIN LAND AT KAAKAUKUKUI, HONOLULU, OAHU, T. H.

JULY 19, (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 6024]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 6024) to withdraw and restore to its previous status under the control of the Territory of Hawaii certain land at Kaakaukukui, Honolulu, Oahu, T. H., having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The committee held a hearing on the measure, at which enactment was urged by representatives of the Department of the Interior. A report from the Department of Defense stating the Department "has no firm immediate plans for development and use of this property which would justify opposition" to the bill, was read into the record.

Committee action approving the measure was unanimous.

EXPLANATION OF THE BILL

H. R. 6024 has as its purpose restoring to the Territory of Hawaii the possession, use, and control of 69.90 acres of land ceded by the Republic of Hawaii in 1898 to the United States for its use and no longer used or needed for Federal purposes.

Ceded and transferred to the United States under the Joint Resolution of Annexation of July 7, 1898 (30 Stat. 750), the land in question is located in the Kaakaukukui section of Honolulu generally known as the Fort Armstrong area, in the waterfront area of downtown Honolulu.

Of the total of 69.90 acres, 20.08 acres is above water and comprises the principal portion in Fort Armstrong that is to be returned to Hawaii. The balance of 49.82 is submerged area of the shoreline.

There is a small area of one-tenth of an acre that is part of a storage facility belonging to the Honolulu engineer that the Department of the Army reserves the right to use.

TERRITORY TO PAY FAIR VALUE OF IMPROVEMENTS

The legislation requires that the Territory pay a fair value for the improvements on the property. Such fair value is to be determined by a board of 3 appraisers, 1 to be appointed by the Secretary of the Army, 1 by the Governor of the Territory, and the third to be chosen by the other 2.

The legislation is the result of a long series of conferences between officials of the Territory and the Department of Defense. As stated, it has been approved by the Department of the Interior, the Department of Defense, and cleared through the Bureau of the Budget.

LEGISLATIVE BACKGROUND

At hearings in Honolulu in December 1954, before a special subcommittee of the House Committee on Interior and Insular Affairs, Territorial officials reiterated their long-held view that the governing provision with respect to lands such as those here involved in section 91 of the Hawaii Organic Act (act of April 30, 1900, 31 Stat. 159, 48 U. S. C. 511).

Section 91 of the Organic Act, with reference to—

> * * * the public property ceded and transferred to the United States * * * under the joint resolution of annexation,

taken for the uses and purposes of the United States, provides that—

> * * * any such public property so taken for the uses and purposes of the United States may be restored to its previous status by direction of the President; * * *.

The land here involved has been taken for the use and purposes of the United States, but certain portions of it have, in addition, been the subject of subsequent legislation (the Public Buildings Act of 1949, 63 Stat. 178; and the act of August 5, 1939, 53 Stat. 1209). Successive efforts to effect restoration by administrative action have failed, and the Justice Department has held that the 1939 and 1949 statutes constitute such an assertion of legislative authority over the land in question as to terminate the President's authority to restore the land to its previous status by Executive order, and legislation is, therefore, needed to accomplish the result sought by H. R. 6024.

FEDERAL LANDHOLDINGS AND LOCAL NEEDS

The 1954 hearings in Hawaii developed this statistical picture: The Territory of Hawaii embraces 4,118,822 acres of land; of this area, 303,000 acres, or 7.4 percent were owned or controlled by the Federal Government as of January 1, 1954, for all purposes. In terms of real property exempt from taxation, this means that 24.55 percent

of the total tax base was exempt from local taxation, and closed to private development and utilization by reason of Federal land ownership.

The hearings also developed information which reveals the changing statistical picture with respect to military landholdings. Pre-World War II military holdings in Hawaii totaled 42,000 acres. At the peak of World War II, this total climbed to 587,000 acres, and as of 1954, it appeared that the military landholdings had leveled at approximately 182,000 acres—9,000 held by the Air Force, 135,000 held by the Navy, and 38,000 acres held by the Army. Spokesmen for the Military Establishment in Hawaii expressed a highly cooperative attitude in their 1954 testimony and recent events indicate that this attitude has been translated in several instances into positive action calling for releases of lands held and not essential to the military effort.

REPORTS OF EXECUTIVE AGENCIES

The reports of the Department of Defense and of the Department of Interior to the House committee are set forth in full, as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., March 13, 1956.

Hon. CLAIR ENGLE,
Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This will reply to your request for the views of this Department on H. R. 6024, a bill to withdraw and restore to its previous status under the control of the Territory of Hawaii certain land at Kaakaukukui, Honolulu, Oahu, T. H.

I recommend that the bill be enacted.

H. R. 6024 would restore to the possession, use, and control of the Territory of Hawaii 69.90 acres of land which formerly constituted a part of the public lands of Hawaii. The land in question was ceded and transferred to the United States under the Joint Resolution of Annexation (30 Stat. 750). Under section 91 of the Hawaiian Organic Act (48 U. S. C., sec. 511), such land remains in the possession, use, and control of the Territory unless taken for the uses and purposes of the United States, but if so taken, it may subsequently be restored to its previous status by Executive order of the President.

The land involved in H. R. 6024 has been taken for the uses and purposes of the United States, but certain portions of it have, in addition, been the subject of subsequent legislation (the Public Buildings Act of 1949, 63 Stat. 178, and the act of August 5, 1939, 53 Stat. 1209). The Justice Department has held that such statutes constitute such an assertion of legislative authority over the land in question as to terminate the President's authority to restore the land to its previous status by Executive order, and legislation is, therefore, needed to accomplish the result sought by H. R. 6024.

The land involved in H. R. 6024 is situated in the heart of the industrial waterfront and harbor area of the city of Honolulu. As such it is extremely valuable and is urgently needed by the Territory, generally in connection with the economic development of this fast-growing area and specifically in connection with the improvement and expansion of the facilities for warehousing and other freight handling. It is the

position of the Territorial government of Hawaii and of this Department that the limited use to which the land in question is currently being put by certain Federal agencies does not justify its retention by the United States and that the land should consequently be restored to the possession, use, and control of the Territory.

The 69.9 acres involved in H. R. 6024, may for purposes of this report, be divided into three segments:

(1) An area comprising 28.69 acres constitutes submerged land under the jurisdiction of the General Services Administration and not now in use.

(2) An area of 21.13 acres constitutes submerged land under the control of the Department of the Army and not now in use for any purpose.

(3) The remaining area of 20.08 acres is land above water under the jurisdiction of the Department of the Army. This area, together with the tract described in (2) above, constitutes a part of the Fort Armstrong Military Reservation. The Governor of Hawaii informs us that on the basis of an Army report, the 20.08 acres in question contain the following improvements, in use at this time for the following purposes:

(*a*) A vacant administrative building that is not suitable for permanent or long-term occupancy, for which the Army has no plans for future use.

(*b*) Nine cottages, five of which are occupied by officers and 4 by enlisted personnel.

(*c*) A transformer vault.

(*d*) A mess hall and barracks in very poor condition, now vacant.

(*e*) A laundry plant in poor condition, now vacant.

(*f*) Two boiler plants, one of which is inoperable, and both of which are now inactive.

(*g*) A motor pool, which is not now being used to capacity, and which has two gas pumps and a vehicle repair shop of the Honolulu area engineer. Covered parking is provided for the Honolulu area engineer and other agencies.

(*h*) Enlisted men's barracks which are in poor condition and now vacant.

(*i*) Five storehouses in fair to poor condition, two of which are vacant.

(*j*) Two warehouses that are presently under 5-year revocable permit to GSA for use as a storage and repair shop.

(*k*) A theater which is in poor condition and which is in only limited use. The seats and sidewalls have been removed.

(*l*) A tennis court for Fort Armstrong personnel.

(*m*) The former Army finance office, which is in fair condition, and the vault of the finance office, neither of which is in use or which the Army plans to use.

(*n*) An administrative building in use by the Civil Air Patrol which is currently under 5-year revocable permit to the Department of the Air Force.

(*o*) A garage, of corrugated roof and siding, which is in poor condition.

(*p*) Two open-shed type buildings that are not used and not suitable for use.

(*q*) A coffee bar and refreshment hut in fair condition, vacant, and for which there is no planned use.

(*r*) A former parade ground which is used from time to time as a baseball field.

In view of the location of this tract in an area of great value for industrial purposes, we do not believe that retention of the 20.08 acres by the United States for the limited purposes described immediately above can be justified. On the other hand, there are improvements on the property for which, under H. R. 6024, the Territory would pay the fair value. Such a payment would constitute an equitable assessment against the Territory in connection with any relocation that might be necessary of the minor facilities in use on the land involved. The fair value would be determined by a board of 3 appraisers, to be compensated by the Territory, 1 to be appointed by the Territory, the second by the Secretary of the Army and the third by the 2 appraisers so appointed.

Enactment of the bill would still leave the United States in the possession and control of 17.44 acres immediately adjacent to the present location, (1) 2.79 acres of which would be under the jurisdiction and control of the Department of Defense, (2) 7.59 above-water acres and 1.30 submerged acres of which would be under the jurisdiction and control of the General Services Administration, and (3) 5.76 acres of which would be under the jurisdiction and control of the Immigration and Naturalization Service. These 17.44 acres are largely undeveloped, and would appear to be suitable for relocation of some or all of the facilities described in (3) above and would also appear to furnish space for expansion. To the extent that a relocation of such facilities elsewhere may be necessary, and should it develop that the Army has no suitable site for this purpose, the Territory is both willing and anxious to assist the Army in obtaining such a site.

The Legislature of the Territory of Hawaii, in Joint Resolution 30 of the 1953 regular session, requested the return of the land included in H. R. 6024. We consider that in the light of the Resolution of Annexation and section 91 of the Organic Act, cited above, the use of valuable city property by the military is justified only when the interests of national security clearly make such control essential. The land which would be restored to the Territory by enactment of H. R. 6024 belonged to the former Republic of Hawaii. The Territory's continuing need for such land must always be assumed. In this instance, however, it need not be assumed, for it is readily apparent. To our knowledge, there has been no showing that the national security interests of the United States at this time require that the land in question be retained by the United States. I, therefore, recommend that H. R. 6024 be enacted.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

DEPARTMENT OF DEFENSE,
March 13, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 6024, 84th Congress, a bill to withdraw and restore to its previous status under the control of the Territory of Hawaii certain land at Kaakaukukui, Honolulu, Oahu, T. H. The Secretary of Defense has delegated to the Department of the Army the responsibility for reporting the views of the Department of Defense thereon.

The purpose of this measure is to restore to the Territory of Hawaii the possession, use, and control of certain lands and improvements thereon which are a part of public lands ceded and transferred to the United States by the Republic of Hawaii under Joint Resolution No. 55 of July 7, 1898 (30 Stat. 750).

The Department of the Army on behalf of the Department of Defense, has considered H. R. 6024. The bill describes an area comprising 69.90 acres at Fort Armstrong in the city and county of Honolulu, T. H. The land within the area described which is held by the Department of the Army consists of 21.12 acres of submerged land in Honolulu Harbor and 20.08 acres comprising all of the main post of Fort Armstrong under Department of the Army control with the exception of approximately 2.79 acres utilized as the Honolulu Area Engineer Reservation. The remainder of the land areas described in the bill consist principally of submerged lands in Honolulu Harbor which were included in the transfer of 39.65 acres of Fort Armstrong by the Secretary of the Army to the General Services Administrator on November 12, 1949, pursuant to the act of Congress approved June 12, 1949 (63 Stat. 178).

The Department of the Army's interest in the retention of Fort Armstrong has been directed principally to the 20.08 acres comprising the substantial portion of the main post area. Most of the military structures located within this area were constructed at the close of World War I and are in a state of disrepair, which prompted the decision recently to demolish approximately 50 percent of the structures in the area. However, some usable dependent housing and storage facilities are located within the area and are being used for these purposes. Of greater economic significance is the fact that this acreage provides an expansion potential for the adjoining Honolulu Area Engineer Reservation as well as a site for the possible relocation of vital defense activities now occupying approximately 6.5 acres known as the Esplanade Lots in downtown Honolulu for which the Territory of Hawaii has also indicated a need. The feasibility of reacquiring this area for requirements of the Federal Government in the future would be determined largely by the type of development and use of the property after its restoration to the possession, use, and control of the Territory. However, the Department of Defense has no firm immediate plans for the development and use of this property which would justify its opposition to the disposition for which H. R. 6024 provides.

The Honolulu Area Engineer Reservation is intensively used by the Department of the Army and other Federal agencies. In view of its location, access to and from the reservation through the main post area of Fort Armstrong is essential. The reservation in section 1 of the bill appears to be adequate for this purpose. However, a storage facility belonging to the Honolulu area engineer extends approximately 0.10 acre over the main post area. It is recommended that the above-mentioned reservation be amended to provide for the use of this parcel in conjunction with the Honolulu Area Engineer Reservation so long as required therefor.

Enactment of this measure will not result in any apparent increase in budgetary requirements of the Department of Defense.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

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Calendar No. 2700

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2655

AMENDING SECTIONS 220 AND 221 (d) OF THE HAWAIIAN HOMES COMMISSION ACT, 1920

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 7552]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 7552) to amend sections 220 and 221 (d) of the Hawaiian Homes Commission Act, 1920, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The committee held a hearing on the measure, which was sponsored by the elected Delegate from Hawaii to carry out the recommendations of the Territorial legislature and the Governor, and enactment was urged by spokesmen for the Department of the Interior.

Committee action was unanimous.

EXPLANATION OF THE BILL

H. R. 7552 would amend the Hawaiian Homes Commission Act of 1920 so as to permit the implementation of the Hawaiian Irrigation Act of 1953 with respect to Territorial lands covered by the Homes Commission Act.

The Hawaiian Homes Commission Act, 1920 (42 Stat. 108), designated certain public lands in the Territory of Hawaii for the use of "native Hawaiians," the descendants with not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous to 1778.

The Hawaiian Irrigation Act (Act 245, Session Laws, 1953), as amended (Act 138, Session Laws, 1955), created the Hawaiian Irrigation Authority which is charged with responsibility for the acquisition, construction, and operation of irrigation projects on a reimbursable basis. Most of the irrigation projects proposed or presently under construction, including the Molokai project, involve Hawaiian homelands.

The act of 1920, as amended (48 U. S. C., sec. 691, et seq.), is deficient in providing authority for the Hawaiian Homes Commission necessary to meet the requirements of the Hawaiian Irrigation Act, as amended, for the construction of irrigation facilities on, or to serve, such lands.

H. R. 7552 will meet these deficiencies by the addition of two paragraphs to sections 220 and 221 of the act of 1920, as amended (48 U. S. C., secs. 714 and 715), and by deletion of certain language from section 221 (d) of that act, to provide statutory authority for meeting a particular problem in connection with the planning and construction of the Molokai irrigation project.

The committee members are convinced that enactment of H. R. 7552 will give clear statutory authority for the orderly planning and construction by the Hawaiian Irrigation Authority of essential projects with resultant benefits to the homesteaders who are establishing themselves on the Hawaiian homelands.

REPORT OF EXECUTIVE AGENCY

The report of the Department of the Interior to the House committee follows. The substance of the recommended amendments has been adopted.

UNITED STATES,
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, 25 D. C., March 26, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington 25, D. C.

MY DEAR MR. ENGLE: This responds to your request for the views of this Department on H. R. 7552, a bill to amend sections 220 and 221 (d) of the Hawaiian Homes Commission Act, 1920.

We recommend that the bill be enacted, were it to be amended as requested herein.

The Hawaii Irrigation Act (Act 245, Session Laws 1953), as amended (Act 138, Session Laws 1955, created the Hawaii Irrigation Authority which is charged with responsibility for the acquisition, construction, and operation of irrigation projects on a reimbursable basis. Most of the irrigation projects proposed or under construction, including the Molokai project, involve Hawaiian homelands. However, the Hawaiian Homes Commission Act, 1920 (42 Stat. 108), as amended (48 U. S. C., sec. 691, et seq.), is deficient in certain respects in furnishing authorities to the Hawaiian Homes Commission necessary to meet the requirements of the Hawaii Irrigation Act, as amended, for the construction of irrigation facilities on, or to serve, such lands. H. R. 7552 is intended to meet these deficiencies by the addition of two paragraphs to sections 220 and 221 of the Hawaiian Homes Commission Act, 1920, as amended (48 U. S. C., secs. 714 and 715), and by deletion of certain language from section 221 (d) of that act to meet a particular problem in connection with the construction of the Molokai project.

Section 1 of the bill would amend section 220 of the act by adding a new paragraph which would confer upon the Hawaiian Homes Commission authority to grant to the Hawaii Irrigation Authority, or

other Territorial or United States Government agency undertaking the construction and operation of irrigation projects, licenses for rights-of-way for irrigation project works and for the development and use of water appurtenant to Hawaiian homelands. It would also enable the Hawaiian Homes Commission to exchange homelands for public lands, under section 204 (4) of the act, as necessary to provide sites for reservoirs and subsurface water development works.

Under this paragraph the commission would also be permitted to request the organization of irrigation projects to serve its lands and to transfer to the irrigation agency any irrigation facilities previously constructed by the commission. Finally, the commission would be empowered, under the provisions of this paragraph, to commit itelf to the payment of costs of irrigating community pastures and to underwrite, with the Hawaiian home-operating fund, the costs of projects undertaken by the Hawaii Irrigation Authority at the request of the commission for the development and opening of additional areas of Hawaiian homelands.

Section 2 of the bill would amend section 221 (d) of the Hawaiian Homes Commission Act, 1920, by deleting certain language in order to clarify an ambiguity which now exists with respect to the authority of the Hawaii Irrigation Authority to charge the Hawaiian Homes Commission and its lessees for Government-owned irrigation water supplied to them from the Molokai project, which the authority proposes to construct to serve and supply the lands of the Hawaiian Homes Commission on Molokai. A problem arises from two applicable provisions of law. Chapter 317, Revised Laws of Hawaii, 1945, provides for the construction of an irrigation project on Molokai. Some of the lands to be served by the Molokai project are Hawaiian homelands. The statute requires that the Territory be reimbursed for costs of construction and operation of the system out of charges made for service from the system. On the other hand, section 221 of the Hawaiian Homes Commission Act, 1920, provides that the Hawaiian Homes Commission shall have, free of all charge, the use of Government-owned water upon the island of Molokai, as necessary for its domestic and irrigation requirements, and of the facilities for conveying that water. All of the water in the system will be Government-owned, either by original right or through rights acquired by purchase or condemnation, and all of the irrigation system's facilities will, of course, be Government-owned.

The attorney general of the Territory of Hawaii has held that these two provisions are in conflict and that appropriated loan funds cannot be used for the construction of the project until the conflict is resolved by statutory revision. Some legal experts have expressed the opinion that the two provisions may be reconciled on the theory that the phrase "free of all charge" in section 221 (d) of the Hawaiian Homes Commission Act does not require the free use of project facilities constructed under Federal legislation and that the phrase "Government-owned water" in the same section does not include water rights which may be acquired for project purposes by contract, condemnation or similar methods. However, it is considered necessary to dispel any doubts concerning the collectibility of charges for Molokai project water and service by appropriate statutory revision and the deletion proposed in section 2 of the bill will accomplish this purpose.

Section 3 of H. R. 7552 would add a new paragraph to section 221 (d) of the Hawaiian Homes Commission Act, 1920, to provide that

any nonreimbursable grants-in-aid made by the Federal Government for the Molokai project will be credited to the account of the Hawaiian Homes Commission and will offset future charges made to the Commission and its lessees for water and service from the system. While no such grants-in-aid for the project have been requested, this paragraph would give the benefit of such moneys to the commission and its lessees in the event of any such request being made and granted in the future.

The provisions of H. R. 7552 have been recommended for passage by the Governor, the Legislature of the Territory of Hawaii, the attorney general of the Territory, the Hawaiian Homes Commission, and the Hawaii Irrigation Authority. This legislation is highly desirable as it would give clear statutory authority for the orderly planning and construction by the Hawaii Irrigation Authority of needed irrigation projects which will include Hawaiian Homes Commission lands with resultant benefits to the homesteaders who have settled on those lands and to the economy of the Territory.

The amendment to section 220 of the Hawaiian Homes Commission Act, 1920, proposed in section 1 of the bill would authorize the Commission to grant to the Hawaiian Irrigation Authority licenses for rights-of-way for necessary irrigation facilities for the term of years that is required to amortize the costs of the irrigation project concerned. It is our view that the Commission should be authorized to grant permanent licenses for rights-of-way for such permanent facilities as are described in the proposed amendment, and it should not be limited to the issuance of licenses for a period of time which is less than that which will be required for project operations. Accordingly, we recommend that the bill be amended to delete the words "for such term of years as is required for amortization of the costs of such projects," appearing in lines 3 and 4 on page 2 of H. R. 7552. We have been informed that the Governor of Hawaii concurs in this recommendation.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

The Committee on Interior and Insular Affairs recommends the enactment of H. R. 7552, as amended.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 220 OF THE ACT OF JULY 9, 1921, AS AMENDED (42 STAT. 114, 48 U. S. C. 714)

* * * * * * *

To enable the construction of irrigation projects which will serve Hawaiian homelands, either exclusively or in conjunction with other lands served by such projects, the commission is authorized, with the approval of the

governor, to grant to the Hawaiian Irrigation Authority, or to any other agency of the government of the Territory or the United States undertaking the construction and operation of such irrigation projects, licenses for rights-of-way for pipelines, tunnels, ditches, flumes, and other water conveying facilities, reservoirs and other storage facilities, and for the development and use of water appurtenant to Hawaiian homelands, to exchange available lands for public lands, as provided in section 204 (4) of this Act, for sites for reservoirs and subsurface water development wells and shafts, to request any such irrigation agency to organize irrigation projects for Hawaiian homelands and to transfer irrigation facilities constructed by the commission to any such irrigation agency, to agree to pay the tolls and assessments made against community pastures for irrigation water supplied to such pastures, and to agree to pay the costs of construction of projects constructed for Hawaiian homelands at the request of the commission, in the event the assessments paid by the homesteaders upon lands are not sufficient to pay such costs: Provided, That licenses for rights-of-way for the purposes and in the manner specified in this section may be granted for a term of years longer than is required for amortization of the costs of the project or projects requiring use of such rights-of-way only if authority for such longer grant is approved by an Act of the Legislature of the Territory of Hawaii. Such payments shall be made from and be a charge against the Hawaiian home-operating fund.

SECTION 221 (d) OF THE ACT OF JULY 9, 1921 (42 STAT. 114, 48 U. S. C. 715 (d))

(d) The Commission is authorized, for the additional purpose of adequately irrigating any tract, to use, free of all charge, [Government-owned water upon the island of Molokai and] Government-owned surplus water tributary to the Waimea River upon the island of Kauai, not covered by a water license or covered by a water license issued after July 9, 1921. Any water license issued after that date and covering any such Government-owned water shall be deemed subject to the condition, whether or not stipulated therein, that the licensee shall, upon the demand of the Commission, grant to it the right to use, free of all charge, [any of the water upon the island of Molokai, and] any of the surplus water tributary to the Waimea River upon the island of Kauai, which is covered by the license and which the Commission deems necessary for the additional purpose of adequately irrigating any tract.

Any funds which may be appropriated by Congress as a grant-in-aid for the construction of an irrigation and water utilization system on the island of Molokai designed to serve Hawaiian Homes Commission lands, and which are not required to be reimbursed to the Federal Government, shall be deemed to be payment in advance by the Hawaiian Homes Commission and lessees of the Hawaiian Homes Commission of charges to be made to them for the construction of such system and shall be credited against such charges when made.

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Calendar No. 2701

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2656

AUTHORIZING THE COMMISSIONER OF PUBLIC LANDS TO SELL PUBLIC LANDS UNDER CERTAIN CIRCUMSTANCES WITHOUT PUBLIC AUCTION

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 7887]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 7887) to authorize the Commissioner ofPublic Lands to sell public lands under certain circumstances without public auction, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Support for the measure, which was sponsored by the Delegate from Hawaii at the request of the Territorial legislature, was voiced at the committee hearing by a spokesman for the Department of the Interior, and committee action was unanimous.

PURPOSE OF BILL

H. R. 7887 authorizes the Commissioner of Public Lands of the Territory of Hawaii to sell a number of tracts of Territorial public land to abutting landowners without requiring that such lands be offered for sale at public auction, as is required under existing law. These small tracts, aggregating approximately 240 acres, are scattered throughout the Territory and are comprised of odd-shaped and inaccessible parcels of landlocked land that are of limited value to any but abutting landowners. The disposition of these lands has proved difficult and costly to the Territorial government.

Lands of the United States are in no way involved, nor is any expenditure of public funds. Federal legislation is needed solely because of certain restrictive provisions of the Hawaii Organic Act.

The bill provides that the Commissioner of Public Lands shall first offer the remnant of land to the abutting landowner for a period of 3 months at a reasonable price which is to be determined by a

disinterested appraiser or appraisers, and if such owner does not want to purchase the land it then can be sold at public auction at no less than the amount of the appraisal. If more than one of the abutting landowners is interested in purchasing the remnant, it shall be sold to the abutting landowner making the highest offer above the appraised value.

The term remnant is defined to limit the area of land which can be purchased under these provisions to a portion not larger than 1½ acres in a suburban or rural area and no larger than 5,000 square feet in an urban area.

The committee was informed that there are approximately 7.25 acres of these remnants in urban areas and 568 remnants of suburban or rural public lands, or a total of 233.31 acres.

The legislation has the approval of the Commissioner of Public Lands and the Governor of the Territory.

REPORT OF EXECUTIVE AGENCY

The favorable report of the Department of the Interior to the House committee follows. The recommended amendments were adopted.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., April 3, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This responds to your request for the views of this Department on H. R. 7887, a bill to authorize the commissioner of public lands to sell public lands under certain circumstances without public auction.

We recommend that the bill be enacted were it to be amended as suggested herein.

H. R. 7887 would authorize the Commissioner of Public Lands of the Territory of Hawaii to sell remnants of public lands to abutting landowners without requiring that such lands be offered for sale at public auction pursuant to existing law. The bill would provide that 1 or more, but no more than 3, disinterested appraisers be appointed to determine a reasonable price for the parcel, and that it be offered for sale at that price to the abutting landowner or abutting landowners for a period of 3 months. If more than one abutting landowner is interested in purchasing the remnant, it shall be sold to the abutting landowner making the highest offer above the appraised value. The bill defines the term "remnant" to mean a parcel of land which is landlocked, or without access to a public highway, and which is no larger in size than 5,000 square feet, in the case of an urban area, or 1½ acres in the case of a suburban or rural area.

The bill is designed to provide a practical and reasonable procedure for the disposition of many small, odd-shaped, and inaccessible parcels of land now owned by the Territory which are lying idle and are costing substantial sums of money to administer. Under existing

law, they may be sold only to the highest bidder at a public auction. Generally, the abutting landowners are the only persons interested in acquiring these parcels, and the bill, therefore, would give a preference in these transactions to the abutting landowners.

Joint Resolution No. 47 of the Hawaiian Legislature, 1955 session, requested that the Commissioner of Public Lands be authorized to sell certain remnants of public lands, not exceeding one-half acre in size, without public auction. We are informed that the specific provisions of H. R. 7887, including the definition of the term "remnant," which differs from that contained in the joint resolution, are based on recommendations of the commissioner of public lands. The Governor of Hawaii has recommended enactment of the bill.

We recommend that the bill be amended in the following respects:

1. In line 2, page 2, after the word "auction" and before the colon, insert the words "at no less than the amount of the appraisal." This language is designed to prevent the sale of remnants after the preference period at a price which might be less than the fair price established for a sale during the preference period.

2. Delete the definition of "remnant" contained in lines 8 through 12, page 2, by substituting therefor language reading substantially as follows:

"The term 'remnant' shall mean a parcel of land landlocked or without access to any public highway, and, in the case of an urban area, no larger than five thousand square feet in size, or, in the case of a suburban or rural area, no larger than one and one-half acres in size."

This proposed substitute definition will not result in a change in the meaning of the definition, but it is suggested, as a matter of form, in order to avoid any possible ambiguity.

3. In line 13, page 2, delete the words "and after".

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 73 OF THE ACT OF APRIL 30, 1900 (31 STAT. 154), AS AMENDED

(r) Whenever any remnant of public land shall be disposed of, the commissioner of public lands shall first offer it to the abutting landowner for a period of three months at a reasonable price, in no event to be less than the fair market value of the land to be sold, to be determined by a disinterested appraiser or appraisers, but not more than three, to be appointed by the Governor: and, if such owner fails to take the same, then such remnant may be sold at public auction at no less than the amount of

the appraisal: Provided, That if the remnant abuts more than one separate percel of land and more than one of the owners of these separate parcels are interested in purchasing said remnant, the remnant shall be sold to the owner making the highest offer above the appraised value.

The term "remnant" shall mean a parcel of land landlocked or without access to any public highway, and, in the case of an urban area, no larger than five thousand square feet in size, or, in the case of a suburban or rural area, no larger than one and one-half acres in size.

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Calendar No. 2702

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2657

AUTHORIZING THE COMMISSIONER OF PUBLIC LANDS TO SELL PUBLIC LANDS LOCATED AT WELIWELI, ISLAND OF KAUAI, TO CERTAIN CLAIMANTS

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 7888]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 7888) to authorize the commissioner of public lands to sell public lands located at Weliweli, Island of Kauai, to certain claimants, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The committee held a hearing on the measure at which assurances were given that all of the parties involved support the proposed legislation. It has the approval of the Department of the Interior.

Committee action was unanimous.

EXPLANATION OF MEASURE

The purpose of H. R. 7888 is to permit the Territory of Hawaii to quitclaim its title to the purchasers of certain lots of the land of Weliweli, Island of Kauai, and also to provide that the lot owners convey a strip of the frontage of their lots to provide a wider roadway to the Government land beyond. It is necessary to ask Congress for this provision because of the restrictive provisions in the Organic Act with regard to the disposal of public lands.

The area involved consists of 18 lots and some small remnants ranging from a little less than three-tenths of an acre to about three-fourths of an acre in size.

For over 25 years there has existed a dispute between the Territory of Hawaii and various individuals as to the legal ownership of this tract of land. The Territory contends that the land is now and always has been government land. The claimants maintain that they pur-

chased the lots in good faith and for adequate consideration from private bona fide title holders.

There is no expenditure of Federal funds involved.

The bill was introduced in accordance with the request of the Territorial legislature, and has the approval of the Governor. The House subcommittee was informed by the attorney general of Hawaii that the claimants to this property are extremely desirous of having clear title to the property and are agreeable to the plan set forth in this legislation. A letter was also received from the Hawaiian Trust Co., which represents the Baldwin estate, the owner of one of the larger pieces of the property involved, requesting action on this bill.

REPORT OF EXECUTIVE AGENCY

The report of the Department of the Interior recommending enactment follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., April 24, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This responds to your request for the views of this Department on H. R. 7888, a bill to authorize the commissioner of public lands to sell public lands located at Weliweli, island of Kauai, to certain claimants.

We recommend that H. R. 7888 be enacted.

The bill would permit the commissioner of public lands of the Territory of Hawaii, with the approval of the Governor and two-thirds of the members of the board of public lands, to convey by quitclaim deeds to certain persons lots which are claimed by them under color of title. The conveyances would be at fair and reasonable prices as determined by appraisers appointed by the Governor, except that improvements located on the lands would be valued at $1. Before conveying any of the lands, the Commissioner would be authorized to require the claimants to quitclaim whatever interests they may claim in two roadways, to quitclaim their interests in a strip of land needed to widen one of the roadways, and to grant to the Territory an easement for storm drain purposes.

The area involved consists of 18 residential lots and some small remnants. The claimants derived their interests in the lands from one William Bacle, who became the apparent owner in 1919. He made a subdivision of the area and sold the lots to the claimants or their predecessors in interest. The claimants all purchased the lots in good faith on the assurances that they were acquiring good title. The Territory contends that the lots in question have never been awarded, patented, granted, or conveyed in any manner by the Government.

No claim of title by adverse possession can be made against the Territory, or these claims would have been settled by now in favor of the claimants.

Under existing law, public lands for residential purposes may be sold only at public auction after advertisement (48 U. S. C., sec. 670). This procedure would unduly prejudice the claimants because some

of them might not be successful high bidders. Section 73 (j) of the Hawaiian Organic Act (48 U. S. C., sec. 671) gives a preference right to citizens and those declaring and later becoming citizens to purchase public lands for residential lots which they or their predecessors have improved and occupied for 10 years. This provision would permit a preference sale to some of the claimants; however, certain lots have not been improved as house lots, and this provision would not be applicable to the sale of such lots.

It is desirable that the disposition of these lands be treated as a whole, and H. R. 7888 is designed to provide an equitable solution. Joint Resolution 33 of the 1955 session of the Legislature of Hawaii requests the Congress to enact legislation along the lines of the bill. The Governor of Hawaii has recommended favorable action on the bill. We believe that H. R. 7888 provides a fair and just means of protecting the interests of both the Territory and the claimants. Enactment of the bill will involve no expenditure of funds on behalf of the Government.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

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Calendar No. 2703

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2658

AUTHORIZING AND DIRECTING THE EXCHANGES AND SALES OF PUBLIC LANDS WITHIN OR ADJACENT TO THE DISTRICT OF PUNA, COUNTY OF HAWAII, T. H., FOR THE RELIEF OF PERSONS WHOSE LANDS WERE DESTROYED BY VOLCANIC ACTIVITY

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 7891]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 7891) to authorize and direct the exchanges and sales of public lands within or adjacent to the district of Puna, county of Hawaii, T. H., for the relief of persons whose lands were destroyed by volcanic activity, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The committee held a hearing on the measure and received favorable testimony from officers of the Department of the Interior and from the elected Delegate from Hawaii.

Committee action in reporting the measure favorably to the Senate and urging adoption was unanimous.

EXPLANATION OF THE BILL

The purpose of H. R. 7891 is to authorize exchanges and sales of Territorial public lands within or adjacent to the district of Puna, county of Hawaii, T. H., for the relief of persons whose lands were destroyed by volcanic activity on the island during March and April 1955.

These exchanges would be subject to the present legal limitations of 40 acres or $5,000 in value and the Territorial lands must be within or adjacent to the district of Puna. The destroyed lands are to be appraised as of the period just prior to the time of destruction and the appraisal would exclude the value of improvements, such as crops and buildings.

The bill makes further provision for relief of those landowners who have been unable to replace all the land destroyed after the limits of exchange have been exhausted. It would authorize the commissioner

of public lands to sell public land up to a maximum of 80 acres or the area of the private individual land destroyed, whichever is less. The sale provision may be made applicable for acreage above the 40-acre exchange limit, but in no case can it exceed 80 acres.

The lands involved are Territorial public lands, but Federal legislation is needed because of a provision in the Organic Act that only Congress can alter the laws of Hawaii relating to its public lands.

At the discussion of this bill in committee, the question was raised as to the amount and value of the lands involved. The Department of the Interior subsequently reported that the estimated number of acres needed to replace the land covered by lava is 686. The number of applicants is 55. The maximum appraised value of the land prior to destruction by lava flow to be exchanged is $125,609.

The bill would carry out the intent of the legislature of Hawaii, as embodied in two joint resolutions to this effect passed last year. It is the committee's unanimous view that the measure offers a just and equitable means of alleviating hardship suffered by victims of the volcanic eruption and of assisting them to make further contributions to the economic life of the Territory.

EXECUTIVE AGENCY REPORT

The favorable report of the Department of the Interior follows. The recommended amendments were adopted by the House and appear in the reported bill. The text of the subsequent report of Interior also is set forth.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., March 5, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This responds to your request for the views of this Department on H. R. 7891, a bill to authorize and direct the exchanges and sales of public lands within or adjacent to the district of Puna, county of Hawaii, T. H., for the relief of persons whose lands were destroyed by volcanic activity.

We recommend that the bill be enacted were it to be amended as indicated herein.

Section 1 of the bill would authorize and direct the commissioner of public lands of the Territory of Hawaii to make exchanges of public lands for lands destroyed by volcanic activity during March and April 1955. These exchanges would be subject to the present legal limitations of 40 acres or $5,000 in value and the public lands to be exchanged must be within or adjacent to the district of Puna. The destroyed lands are to be appraised as of the period just prior to the time of destruction and the appraisal would exclude the value of improvements, such as crops and buildings.

Section 2 would make further provisions for relief of those landowners who have been unable to replace all the land destroyed after the limits of exchange have been exhausted. It would authorize the commissioner of public lands to sell public land up to a maximum of 80 acres or the area of the private individual land destroyed, which-

ever is less. The sale provision may be made applicable for acreage above the 40-acre exchange limit, but in no case can it exceed 80 acres.

Section 3 of the bill would provide that in the event the legal owner fails to avail himself of the provisions to exchange or purchase lands to replace his destroyed lands, his lessee, if such there be, may elect to purchase, under the provisions of section 2, public lands to the extent of the destroyed lands leased or not exceeding 80 acres, whichever amount is less.

Section 4 provides that applications for relief under this bill must be filed within 2 years after the approval date and must show the area and approximate value of the lands destroyed.

Section 5 would leave intact all provisions of the Hawaiian laws and the Hawaiian Organic Act relating to public lands except the specific changes enumerated in the bill to provide for this emergency relief.

H. R. 7891 is designed to provide the measures set forth in Joint Resolutions 45 and 56 of the Hawaiian Legislature for the relief of those private individuals whose lands were destroyed by volcanic actions. This bill has the support of the Governor of Hawaii, and it is our view that it provides a just and equitable means of assisting those persons who suffered such property damage.

We suggest that the bill be amended in the two following respects:

(1) In line 6 on page 1, between the words "lands" and "destroyed", add the words "within the country of Hawaii".

(2) In line 7 on page 2, between the words "lands" and "not", add the words "within or adjacent to the district of Puna, county of Hawaii, Territory of Hawaii".

The first amendment would specifically define the area of destruction by volcanic action for which, the relief provided by the bill could be granted, and the second amendment would specify the public lands to be available for sale, pursuant to the provisions of section 2, which would be in conformance with the like description in section 1.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF TERRITORIES,
June 19, 1956.

Mr. STEWART FRENCH,
Staff Director, Senate Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D. C.

DEAR MR. FRENCH: Reference is made to the hearing held last week on H. R. 7891, authorizing certain exchanges of lands at Puna, Hawaii.

Governor King has now informed us that the estimated number of acres needed to replace the land covered by lava is 686. The number of applicants is estimated at 55. We have a tabulation showing the names of all claimants, the acreage covered, and the maximum allow-

able claim for each claimant, if the committee should desire it. The maximum appraised value of the land prior to destruction by lava flow to be exchanged is $125,609.

We hope this information meets the needs of the committee.

Sincerely yours,

KIRKLEY S. COULTER,
Acting Director, Office of Territories.

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Calendar No. 2704

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2659

AMENDING SECTION 73 (i) OF THE HAWAIIAN ORGANIC ACT

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 7893]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 7893) to amend section 73 (i) of the Hawaiian Organic Act, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Committee action was unanimous.

EXPLANATION OF THE MEASURE

H. R. 7893 would revise the Territorial law of Hawaii respecting homesteading on Territorial lands to permit a larger number of qualified farmers to come within its provisions.

Section 73 (i) of the Organic Act of Hawaii, which would be amended by the bill, permits persons entitled to take homestead lots under certificate, lease, or agreement to be determined by drawing or lot after due public notice. The act of July 9, 1952 (66 Stat. 515; 48 U. S. C. 670) amended the organic act to provide that lots may be sold for cash, without recourse to such drawing or lot, to persons who have qualified for and received loans under the provisions of the Bankhead-Jones Farm Tenant Act.

The procedure established under the 1952 amendment has been found to be weak in two respects:

First, competent, substantial farmers with satisfactory credit ratings are disqualified from securing homesteads under the Bankhead-Jones Act. Secondly, in order to obtain the more desirable homesteads the potential owners have to contribute funds of their own in a lump-sum payment to enable them to secure land patents which may be mortgaged through the Farmers' Home Administration. For the most part, the FHA loans are insufficient to purchase the land and also to

provide funds for building the necessary residence and for buying essential farming equipment.

H. R. 7893 remedies the defects enumerated above by providing that qualified farmers whether or not eligible for loans under the Bankhead-Jones Act will have equal priority in securing homesteads either on a cash or on extended time basis. Finally, the amended bill provides that applicants for land must have not less than 2 years' experience in farming as an owner, tenant, or laborer.

EXECUTIVE AGENCY REPORT

The report of the Department of the Interior is set forth below. The House adopted the Department's recommendations.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., June 14, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This responds to your request for the views of this Department on H. R. 7893, a bill to amend section 73 (i) of the Hawaiian Organic Act.

We recommend that the bill not be enacted, but that in lieu thereof the attached proposed substitute bill be enacted.

Under the provisions of section 73 (i) of the Hawaiian Organic Act, persons entitled to take homestead lots under certificate, lease, or agreement are determined by drawing or lot after due public notice. However, under the proviso added to section 73 (i) by the act of July 9, 1952 (66 Stat. 515, 48 U. S. C., sec. 670), lots are sold for cash, without recourse to such drawing or lot, to persons who have qualified for and received loans under the provisions of the Bankhead-Jones Farm Tenant Act. This proviso amended the former proviso added to section 73 (i) by the act of July 29, 1939 (53 Stat. 1126), which provided that any lots which had been put up for disposition by drawing or lot but were not taken or were taken and forfeited or surrendered with the consent of the commissioner could be disposed of for cash to qualified homesteaders who receive Bankhead-Jones Farm Tenant Act loans.

The purpose of the July 9, 1952, proviso is to authorize the Commissioner to sell homestead lots for cash to persons qualifying under the Bankhead-Jones Act to that recipients of loans under that act may purchase farms merely upon demonstrating their qualifications and without taking their chances at being designated through a drawing or allotment or depending upon a failure to take a forfeiture or a surrender by the person so designated. The effect of this procedure is to give persons qualified under the Bankhead-Jones Act a priority in purchasing public lands.

Experience has shown the need for additional amendment to this procedure. First of all, competent farmers who have managed to accumulate assets and have a good financial rating which enables them to borrow substantial sums, are disqualified from securing homesteads

under the Bankhead-Jones Act. Secondly, in order to secure certain of the more desirable homesteads the farmers have to contribute moneys of their own in a lump-sum payment in order to secure land patents which may be mortgaged through the Farmers' Home Administration. The individual loans permitted by the Farmers' Home Administration are not large enough to purchase the land and also to provide funds for building the residence and buying the necessary equipment for the farm. Finally, it is believed that the screening of prospective homesteaders needs to be speeded up materially.

The purpose of the bill is to correct the defects pointed out above, which have been experienced in the present procedure. The attached proposed substitute would provide that qualified farmers whether or not eligible for loans under the Bankhead-Jones Act will have equal priority toward securing such homesteads, and that such homesteads may be sold on an extended-time basis, as well as for cash. Our proposed substitute also would provide that such applicants must have not less than 2 years' experience in farming rather than give to the land commissioner unrestricted discretion to pass on the eligibility of applicants which is proposed in the bill as introduced.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

A BILL To amend section 73 (i) of the Hawaiian Organic Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first proviso of section 73 (i) of the Hawaiian Organic Act, as amended (48 U. S. C., sec. 670), is further amended to read as follows:

"*Provided, however*, That (1) lots may be sold for cash or on an extended time basis, as the commissioner may determine, without recourse to drawing or lot and forthwith patented to any citizen of the United States applying therefor, possessing the qualifications of a homesteader as now provided by law, and who has qualified for and received a loan under the provisions of the Bankhead-Jones Farm Tenant Act, as amended or as may hereafter be amended, for the acquisition of a farm, and (2) lots may be sold for cash or on an extended time basis, as the commissioner may determine, without recourse to drawing or lot and forthwith patented to any citizen of the United States applying therefor if such citizen has not less than two years' experience as a farm owner, farm tenant, or farm laborer:".

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

90005°—57 S. Rept., 84-2, vol. 5——30

SECTION 73 (i) OF THE HAWAIIAN ORGANIC ACT (31 STAT. 154) AS AMENDED (48 U. S. C. 670)

The persons entitled to take under any such certificate, lease, or agreement shall be determined by drawing or lot, after public notice as hereinafter provided; and any lot not taken, or taken and forfeited, or any lot or part thereof surrendered with the consent of the commissioner, which is authorized, may be disposed of upon application at not less than the advertised price by any such certificate, lease, or agreement without further notice. The notice of any sale, drawing or allotment of public land shall be by publication for a period of not less than sixty days in one or more newspapers of general circulation published in the Territory: *Provided, however,* That lots may be sold for cash without recourse to drawing or lot and forthwith patented to any citizen of the United States applying therefor, possessing the qualifications of a homesteader as now provided by law, and who has qualified for and received a loan under the provisions of the Bankhead-Jones Farm Tenant Act, as amended or as may hereafter be amended, for the acquisition of a farm: *Provided, however, That (1) lots may be sold for cash or on an extended time basis, as the commissioner may determine, without recourse to drawing or lot and forthwith patented to any citizen of the United States applying therefor, possessing the qualifications of a homesteader as now provided by law, and who has qualified for and received a loan under the provisions of the Bankhead-Jones Farm Tenant Act, as amended or as may hereafter be amended, for the acquisition of a farm, and (2) lots may be sold for cash or on an extended time basis, as the commissioner may determine, without recourse to drawin or lot and forthwith patented to any citizen of the United States applying therefor if such citizen has not less than two years' experience as a farm owner, farm tenant, or farm laborer: And provided further,* That any patent issued upon any such sale shall contain the same restrictive provisions as are now contained in a patent issued after compliance with a right of purchase lease, cash freehold agreement, or special homestead agreements.

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Calendar No. 2705

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2660

AMENDING THE HAWAIIAN ORGANIC ACT, AS AMENDED, RELATING TO THE AUDIT OF GOVERNMENT (TERRITORIAL AND COUNTY) ACCOUNTS

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 9265]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 9265), to amend the Hawaiian Organic Act, as amended, relating to the audit of government (territorial and county) accounts, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Committee action was unanimous, based on a hearing and a favorable report from the Department of the Interior.

EXPLANATION OF THE BILL

H. R. 9265 would authorize the Territorial government of Hawaii to redesignate the positions of auditor-general and deputy auditor-general as comptroller and deputy comptroller and would provide for the appointment of an official within the government of the Territory of Hawaii to be known as the postauditor. The precise functions of the postauditor would be prescribed by the Territorial legislature and would somewhat parallel, on the Territorial level, those of the Comptroller General of the United States on the Federal level.

At present the Territorial auditor-general performs some of the duties envisaged for the postauditor. Currently this person's principal duties are those of a general accounting officer within the executive department.

H. R. 9265 was amended in the House to provide that the postauditor would be appointed by the Governor by and with the advice and consent of the Territorial senate. He would be subject to removal for cause by a two-thirds vote of the legislature. This amendment

was adopted in order to make the measure conform more closely to the procedure prescribed in existing law covering similar circumstances.

The Governor of Hawaii and the Territorial legislature have recommended enactment.

EXECUTIVE AGENCY REPORTS

The favorable reports of the Department of the Interior and the Bureau of the Budget to the House committee follow:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., June 15, 1956.

Hon CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This is in response to your request for the views of this Department on H. R. 9265, a bill to amend the Hawaiian Organic Act, as amended, relating to the audit of government (Territorial and county) accounts.

We recommend that the bill be enacted, were it to be amended in the manner suggested herein.

H. R. 9265 would redesignate the positions of auditor-general and deputy auditor-general as comptroller and deputy comptroller, and would provide for the appointment of an official within the government of the Territory of Hawaii to be known as the postauditor. The bill does not give a precise definition of his functions, which are to be prescribed by the Territorial legislature, but it is apparent that they will encompass generally those functions customarily described by the term "postaudit", probably along lines similar to the functioning of the Comptroller General of the United States.

No position precisely comparable to this one now exists within the Territorial government. The auditor-general now performs some postaudit functions but his principal duties are those of a general accounting officer within the executive department.

The bill would provide that the postauditor would be appointed by the legislature. We believe, however, that it would be more appropriate to provide that the postauditor be appointed by the Governor, in line with the practice of the Federal establishment and of most of the States. He could stil' be subject to confirmation by the Territorial senate, and by the terms of the bill he would be subject to removal for cause by a two-thirds vote of the legislature. In order to effectuate this proposal, we suggest that the bill be amended by deleting the words "by a majority vote of each house of the legislature in joint session", appearing on page 2, lines 5 and 6, and in lieu thereof inserting the words "by the Governor by and with the advice and consent of the senate".

Both the Governor of Hawaii and the territorial legislature have recommended enactment of legislation providing for the position of postauditor.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 13, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your request for the views of the Bureau of the Budget on H. R. 9265, a bill to amend the Hawaiian Organic Act, as amended, relating to the audit of government (Territorial and county) accounts.

The bill would change the names of the positions of auditor-general and deputy auditor-general to comptroller and deputy comptroller, and would provide for a position of postauditor.

Our understanding is that the purpose of the bill is to place responsibility for the audit function in an official who is independent of the official responsible for general accounting.

The Secretary of the Interior, in a separate report he is making to your committee, suggests that the postauditor be appointed by the Governor subject to confirmation by the Territorial senate. Selection by this method is followed by the Federal Government and a good many of the States, and we recommend it as preferable to appointment by the legislature as provided in H. R. 9265.

You are advised that the Bureau of the Budget would have no objection to enactment of this measure.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant to the Director.

The Committee on Interior and Insular Affairs recommends enactment of H. R. 9265, as amended.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 77 OF THE HAWAIIAN ORGANIC ACT (31 STAT. 156; 48 U. S. C. 542)

[That there shall be an auditor and deputy auditor, who shall have the powers and duties conferred upon them and required of the auditor general and deputy auditor general, respectively, by act thirty-nine of the session laws of Hawaii, as amended by this Act, subject to modification by the legislature.]

SEC. 77. COMPTROLLER AND DEPUTY COMPTROLLER. There shall be a comptroller and deputy comptroller, who shall have the powers and duties conferred upon and required by the auditor-general and deputy auditor-general, respectively, by act thirty-nine of the session laws as amended by this Act, subject to modification by the legislature. In said act "officer" shall be substituted for "minister" where used without other designation.

SEC. 77A. POST-AUDITOR. There shall be a post-auditor who shall be appointed by a majority vote of each house of the legislature in joint session, who shall serve for a term of eight years and until a successor shall have been duly appointed. He shall have such powers and duties relating to the post-audit of Territorial and county accounts and appropriations as may be prescribed by law. The legislature, by a two-thirds vote of the members in joint session, may remove the post-auditor at any time for cause.

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Calendar No. 2706

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2661

AUTHORIZING THE COMMISSIONER OF PUBLIC LANDS TO SELL PUBLIC LANDS LOCATED AT KANEOHE BAY, OAHU, T. H., TO CERTAIN PERSONS

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 7890]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 7890) to authorize the commissioner of public lands to sell public lands located at Kaneohe Bay, Oahu, T. H., to certain persons, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The committee held a hearing on the measure, at which support for it was voiced by a spokesman for the Department of the Interior, and enactment urged by the elected Delegate from Hawaii.

Committee action was unanimous.

PURPOSE OF MEASURE

H. R. 7890 will permit the Territory of Hawaii to sell to the owners of 13 lots at Kaneohe Bay on the island of Oahu portions of an acre on the bay filled by artificial accretion. During the 1940's dredging operations by the United States and the city and county of Honolulu filled the area with sludge. Prior to the filling process each of the 13 lot owners enjoyed a frontage on Kaneohe Bay. The frontage has now been lost.

The titles to the 13 lots extend only to the high-water mark as it existed before the filling. The lot owners cannot acquire title to the filled area because the title to the underwater area seaward of the old high-water mark was acquired by the United States by reason of the provision in the resolution providing for the annexation of the Hawaiian Islands whereby the Federal Government acquired title to the public lands of the Republic of Hawaii (30 Stat. 750, 48 U. S. C., sec.

661). Legislation of this type is therefore necessary to convey title to the 13 landowners.

Rather than have individual bills introduced, title to the entire area will be conveyed by H. R. 7890, and the commissioner of public lands will make the actual division into lots.

The bill in section 2 provides that this land shall be conveyed at a fair and reasonable price determined by disinterested appraisers and improvements on the property shall be valued at only $1.

Section 3 requires the lot owners to execute releases for any alleged invasion of their littoral rights caused by dredging and filling.

Enactment of this bill will result in no additional cost to the Federal Government.

The committee amendment is a technical one, recommended by the Department of the Interior.

REPORTS OF EXECUTIVE AGENCY

The report of the administrative agency to the House committee follows. The Senate committee has adopted the recommended amendment.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., April 24, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This responds to your request for the views of this Department on H. R. 7890, a bill to authorize the commissioner of public lands to sell public lands located at Kaneohe Bay, Oahu, to certain persons.

We recommend that the bill be enacted, were it to be amended as suggested herein.

H. R. 7890 would authorize the Commissioner of Public Lands of the Territory of Hawaii, with the approval of the Governor and two-thirds of the members of the board of public lands, to sell to the owners of 13 lots portions of an area in Kaneohe Bay filled by artificial accretion. The lots are part of an area that was artifically filled with dredged material during the war years by the Navy and later as a result of additional work by the city and county of Honolulu. The lots to be benefited by this legislation are house lots except for two which are private rights-of-way (each 5 feet wide). At the time this subdivision was made in 1932, each of the lots had frontage on Kaneohe Bay.

The city and county dredged an 8-foot channel running from the shore to one lot to an old Navy channel about 130 feet offshore from the last lot. The dredged material was used to fill the triangular area of tideland lying between the new channel and the shore. This is the area which would be authorized for sale under the bill. The owners of the lots claim that they were deprived of their littoral rights by reason of the artificial accretion.

The titles to the 13 lots of the subdivision go down to high-water mark as it existed before the fill and no further. These lot owners cannot acquire title to the filled area because the title to the underwater area seaward of the old high-water mark was acquired by the United States by reason of the provisions in the resolution providing

for the annexation of the Hawaiian Islands whereby the United States acquired title to the public lands of the Republic of Hawaii (30 Stat. 750, 48 U. S. C., sec. 661). The fact that the land was filled immediately in front of the privately owned lots did not thereby give the private owners title to the area. The only manner by which the private owners may acquire title to the filled area is by a grant or conveyance authorized by the legal owner of the area, namely, the United States. That is what is sought to be accomplished by this bill.

The area to be conveyed to the lot owners is described as a whole and not by individual lots and the intent of the bill is that the actual division into lots be left to the Commissioner. In this way greater flexibility in adjusting the boundaries will be allowed and differences or disputes that may arise can be settled administratively. If lots were individually described in the bill, any change, no matter how small, would have to await further congressional approval.

Section 2 of the bill provides that the conveyance shall be at a fair and reasonable price to be determined by disinterested appraisers appointed by the Governor, and all improvements in the nature of buildings, houses, and other structures shall in each case be valued at $1.

Section 3 would require the lot owners to execute releases for any alleged invasion of their littoral rights allegedly occasioned by the filling of the area.

Section 4 defines owners to include natural persons, corporations, and associations. This definition was worded to provide relief to any lot owner whether noncitizen or a corporation.

The Governor of Hawaii has recommended the enactment of H. R. 7890 in its present form in order that necessary congressional action would be kept at a minimum. This Department joins in that recommendation. Enactment of the bill will result in no additional cost to the Federal Government.

The bill contains a reference in line 3, page 1, to section 3 of the Hawaiian Organic Act. Section 3 of that act (31 Stat. 141, 48 U. S. C., sec. 493) provides for the capital of the Territory at Oahu. The section is thus irrelevant to the purpose of the bill. Since the phrase "relating to public lands" is included to describe the sections of the organic act in question, a sufficient description would remain if there were struck from line 3 the words "section 3 of", and I recommend that the bill be amended by deleting these words.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

The Committee on Interior and Insular Affairs recommends the enactment of H. R. 7890, as amended.

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Calendar No. 2707

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2662

IMPLEMENTING SECTION 25 (B) OF THE ORGANIC ACT OF GUAM

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 11522]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 11522) to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

Favorable committee action, based on the hearing and executive agency reports, was unanimous.

PURPOSE OF BILL

The purpose of H. R. 11522 is to extend to the unincorporated territory of Guam certain Federal statutes which, after most careful and prolonged study and screening, have been determined to be desirable and needed by the people of that island territory.

In 1950 supervision of the government of Guam was transferred from the Navy to the Department of the Interior, and a civil government was established by enactment of the Organic Act of Guam, Public Law 630, 81st Congress (64 Stat. 384, 48 U. S. C. 1421, et seq.). At that time it was not possible to determine in detail the exact extent to which the whole body of Federal law should be applied to Guam.

Therefore, the Organic Act provided, in section 25 (b), for the establishment of a Commission on the Application of Federal Laws to Guam, which after detailed study filed a report of its recommendations in 1951. That report listed statutes of the United States not applicable to Guam which should be made applicable, as well as several which are applicable but which should be declared inapplicable.

This report and its recommendations were then subjected to careful study by the Department of the Interior, and by each of the Federal departments and agencies charged with enforcement of the various statutes to be applied to Guam.

In preference to dealing with a multitude of individual bills each providing for extension of a particular statute to Guam, it was considered desirable to include all the proposed revisions in a single omnibus bill. In the first session of this Congress, Senator Jackson introduced S. 1954, incorporating many of the provisions then recommended by the Department of the Interior. A similar bill was introduced in the House of Representatives, on which prolonged hearings were held. As a result of those hearings and further study a number of amendments were adopted by the House committee, which were then incorporated in a clean bill, H. R. 11522, now reported by your committee.

PRINCIPAL PROVISIONS OF THE BILL

A sectional analysis of the bill is incorporated hereinafter, which summarizes in some detail the effect of each of the 25 sections of H. R. 11522. Among the more important provisions are those relating to education (secs. 9, 10, 11, and 16), aid to public health (secs. 16, 18, and 19), and control of narcotics, opium, and marihuana (secs. 12, 13, and 14). It provides also for the adjustment of the Governor's salary (sec. 20), now $13,125, to the same figure as that paid to the Governor of the Virgin Islands, which is $15,000.

Of particular importance are those provisions (secs. 10 and 11) which would apply the provisions of Public Laws 815 and 874, both of the 81st Congress, to Guam. These provisions, by which Guam would share in the Federal funds available for assistance for schools in areas affected by the impact of Federal activities, are badly needed in Guam. A large proportion (about 25 percent) of Guam's total public-school enrollment are children of members of the Armed Forces stationed on Guam or children of employees of other Federal agencies operating on Guam.

During World War II Guam suffered great damage, including the destruction of most of its schools. Since the war the Territory has been financing its own school construction and operation needs, but many of the school buildings there are frankly substandard. The inadequate condition of the school facilities on Guam have aroused dissatisfaction among members of the Armed Forces as well as the Guamanians.

Also extended to Guam are certain provisions of the Vocational Education Act and the Vocational Rehabilitation Act.

EXPLANATION OF COMMITTEE AMENDMENTS

A number of technical and clerical amendments were found necessary by your committee, in order to take account of changes in law since introduction of the bill, new legislation by Congress, and, in one case, an additional suggestion by a Federal department affected by a provision of the bill.

The deletion of the first subsection of section 1 is necessary to avoid conflict with other provisions of the Federal Seed Act. The language stricken would have had the effect of placing on the Bureau of Customs

certain responsibilities with respect to imports of seeds. Since there is no customs office on Guam, it would not be practicable to extend this authority at the present time.

The amendment to section 3 has been made at the request of the Federal Deposit Insurance Corporation, and has the effect of restoring the language of the bill as recommended in the original executive communication. The definition of the word "State" is needed from the standpoint of a number of important provisions of the Federal Deposit Insurance Act.

The substitution of new language for sections 7 and 8 is necessary to preserve the effect and purpose of the language originally proposed in the bill as introduced. These sections are designed to make applicable to Guam the Wildlife Restoration and Fish Restoration Acts. Both those acts, however, were amended recently by the enactment of Public Law 640, 84th Congress, 2d session, which became law on July 2, 1956. The revisions in language here proposed are needed to accommodate the terms of this bill to the terms of Public Law 640.

The addition, in section 14, of the words "as amended" is needed to make appropriate reference to the sections therein cited, in view of the recent enactment of Public Law 728, 84th Congress, 2d session, the Narcotic Control Act of 1956.

The addition of a new section 25 is made necessary by the recent enactment of Public Law 597, 84th Congress, 2d session, which provides financial assistance for the extension of public library services to rural areas. Although Public Law 597 extends to Alaska, Hawaii, Puerto Rico, and the Virgin Islands, it omits Guam from its coverage. It is understood that this omission was not deliberate, but an oversight. The effect of section 25 is to include Guam on the same basis as the Virgin Islands, with a grant of not less than $10,000 per year from the funds authorized to be appropriated for extension of library services.

SECTIONAL ANALYSIS OF H. R. 11522

1. Section 1 provides technical amendments to the Federal Seed Act.

The Federal Seed Act is now generally applicable to Guam, but with exception of a few of its provisions. This act provides standards for the labeling and advertisement of seeds in interstate commerce, all of which now apply to Guam. It also imposes restrictions concerning the interstate shipment and the importation into the United States of certain seeds. The definitions of "weed seeds" and "noxious weed seeds" do not include Guam. These exclusions probably result from an oversight in drafting. The proposed amendments therefore principally have the effect of removing internal inconsistencies as the statute is now written. As noted above, it is not practical at this time to apply to Guam those portions of the act relating to enforcement action by the Bureau of Customs.

2. Section 2 makes specifically applicable to Guam the National Bank Act and all other acts of Congress relating to national banks.

The National Bank Act and related laws specify the procedure to be followed in the organization of a national bank. They set forth provisions covering a wide range of subjects, such as the issuance and redemption of notes, lawful reserves, bank examinations, and dissolution and receivership. The national banking laws may now apply to Guam, but their application is uncertain, in part because it was

considered necessary to extend the laws specifically to the Virgin Islands which occupies the same legal status. To remove any question, the laws should be made applicable to Guam in the same manner as they were made applicable to the Virgin Islands (12 U. S. C., sec. 40). Section 2 accomplishes this result.

3. Section 3 extends the Federal Deposit Insurance Act to Guam, and would have the incidental effect of allowing banks in Guam to become members of the Federal Reserve System.

The Federal Deposit Insurance Act, which provides insurance for State and national bank deposits, is now applicable to the States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands. Section 3 extends its provisions to Guam. Since national banks which are members of the Federal Reserve System are required to have their deposits insured (12 U. S. C. sec. 1814 (b)), and since such insurance is not available to banks in Guam, it follows that Guam banks cannot now become members of the Federal Reserve System. They could qualify, however, if the Federal Deposit Insurance Act were extended to Guam.

4. Section 4 extends the act of March 9, 1945, relating to the regulations of insurance, to Guam.

The act of March 9, 1945, declares that the regulation and taxation of the insurance business by the States is in the public interest and that the States should continue such regulation. The statute was enacted in 1945 to clarify confusion which arose as a result of the Supreme Court's decision in the Southeastern Underwriters case. Prior to that decision, the business of regulating insurance had been considered a proper subject of local law, but the Court held therein that it was interstate commerce and therefore subject to the Sherman and Clayton Acts. The 1945 statute in effect reversed the Court's decision and returned the business of regulating insurance to the States, a term defined to include Alaska, Hawaii, and Puerto Rico.

5. Section 5 extends to Guam the act of June 3, 1948, relating to the transfer of roads.

The act of June 3, 1948, provides that the Secretary of the Interior may convey to any State or to one of its political subdivisions all of the United States right, title, and interest in any road leading to any national cemetery, military park, historical park, etc., if the State or subdivision is willing to accept and maintain the road. The 48 States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands are presently covered by the act. The proposed amendment adds Guam. It is a matter of only academic interest in Guam at this time, for there are no national cemeteries or parks in the territory.

6. Section 6 extends to Guam the act of June 23, 1936, relating to cooperative studies of public parks and recreational area programs.

The act of June 23, 1936, authorizes cooperative studies by the National Park Service and the States of the public park, parkway, and recreational area programs of the States for the purpose of developing more adequate park programs. The 48 States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands are presently covered by the act. The proposed amendment adds Guam.

7. Section 7 extends to Guam the Wildlife Restoration Act. The Wildlife Restoration Act provides grants-in-aid for the construction, establishment, and maintenance of wildlife restoration projects. Such projects include the selection, restoration, rehabilitation, and improve-

ment of areas of land of water adaptable as feeding, resting, and breeding places for wildlife. The act is now applicable to the States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands. The appropriation provision carried in the act authorizes a maximum of $10,000 annually for the Virgin Islands, with a like amount for Puerto Rico. The amendment extends the act to Guam and also authorizes a $10,000 appropriation annually for that territory.

8. Section 8 extends to Guam the Fish Restoration Act.

The Fish Restoration Act requires the Secretary of the Interior to cooperate with State fish and game departments in connection with fish restoration and management projects and to make payments to assist projects designed for the restoration and management of fish which are of value in connection with sport or recreation. The act applies to Alaska, Hawaii, Puerto Rico, and the Virgin Islands, and the amendment also makes it applicable to Guam. The appropriation provision carried in the act authorizes a maximum of $10,000 annually for the Virgin Islands, with a like amount for Puerto Rico. The amendment extends the act to Guam and also authorizes a $10,000 appropriation annually for that territory.

9. Section 9 extends the Vocational Education Act to Guam.

The Vocational Education Act of 1946 and related statutes provide Federal grants-in-aid to the States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands in four fields of vocational education: Agriculture, home economics, trades and industries, and the distributive occupations. Under existing law, the Federal grant to each eligible jurisdiction must be at least $135,000 per year, to be matched by the recipient, except in the case of the Virgin Islands which is authorized to receive no more than $40,000. The amendment extends the law to Guam and would authorize an appropriation of not more than $80,000 annually for vocational education in Guam, such sum to be matched by Guam. The amendment for Guam, like that in 1950 for the Virgin Islands, is tailored to meet Guam's particular needs. The Commissioner of Education could, for example, modify the amounts granted in the four categories above listed to meet special conditions in Guam.

10. Section 10 makes applicable to Guam Public Law 874 of the 81st Congress, which provides Federal financial assistance for schools in areas affected by Federal activities.

Public Law 874, as amended, is designed to provide Federal aid to school districts which have sustained diminished revenues as a result, for example, of Federal acquisitions of real property and of increased school enrollments attributable to Federal activities. The Federal grant is for the purpose of meeting admiinstrative costs. The authorization for grants under this statute will expire on June 30, 1957, unless extended. Legislation is pending for its extension. The statute now applies to Alaska, Hawaii, Puerto Rico, the Virgin Islands, and Wake Island. Section 10 extents it to Guam.

11. Section 11 makes applicable to Guam Public Law 815 of the 81st Congress, relating to school construction.

Public Law 815, as amended, provides Federal grants for school construction to school agencies which are financially burdened as a result of increased Federal activities. Applications must be filed, under existing law, by June 30, 1956, and the authorization will expire

on June 30, 1957, but legislation is pending to extend these dates. The statute now applies to Alaska, Hawaii, Puerto Rico, and the Virgin Islands. This section extends the statute to Guam.

12. Section 12 authorizes local enforcement of the Harrison Antinarcotic Act in Guam by territorial officers.

The Harrison Antinarcotic Act levies two taxes which assist in regulating the production and use of certain narcotic drugs. The first is a tax on the importer, manufacturer, or producer, and the second a tax upon users of such drugs, such as doctors, research workers, retailers, and others. The act is now applicable to Guam, but there is no clear means for enforcement. Section 12 provides that in Guam enforcement will be performed by territorial officers and the proceeds of taxes collected would be covered into the territorial treasury.

13. Section 13 makes applicable to Guam the Smoking Opium Act of 1914.

The Smoking Opium Act imposes a tax of $300 per pound upon all opium produced in the United States, and requires all manufacturers of opium for smoking to post a bond in an amount of at least $100,000 with the Internal Revenue Service. The statute carries no provision concerning its territorial application and it is doubtful that it now applies outside the continental United States.

14. Section 14 makes inapplicable to Guam the Marihuana Tax Act.

The Marihuana Tax Act, enacted in 1937, imposes an annual tax, in the nature of a registration fee, upon persons dealing in marihuana (such as importers, manufacturers, doctors, and research workers), and it also imposes a transfer tax upon the transferee with respect to sales, exchanges, and gifts of marihuana. The statute applies to Guam, as well as to the other territories. When the Marihuana Tax Act was enacted, it was supposed that there were legitimate medical needs for the drug. It has since developed that there are not, and section 14 would therefore make this law inapplicable to Guam. The law has the effect of legitimizing dealings in marihuana, and if no legitimate need exists, it is considered desirable to make the statute specifically inapplicable.

15. Section 15 specifically prohibits the production, manufacture, sale, or importation of marihuana in Guam. If section 14, making the Marihuana Tax Act inapplicable to Guam, is enacted, it is important also to enact the companion section 15, making it a criminal offense to deal in marihuana in Guam.

16. Section 16 extends to Guam the provisions of the Vocational Rehabilitation Act which do not now extend to the territory.

The Vocational Rehabilitation Act, enacted in 1954, provides three kinds of Federal grants to eligible jurisdictions: Grants for vocational rehabilitation services, grants to assist in initiating projects for the extension and improvement of vocational rehabilitation services, and grants to public and nonprofit agencies to assist in meeting the costs of research projects, demonstrations, training, and other special projects. Section 16 extends the act for all purposes to Guam, and provides the same financial treatment to it as is accorded Puerto Rico and the Virgin Islands.

17. Section 17 extends to Guam the act of June 6, 1933, pertaining to the United States Employment Service.

The 1933 statute creating the United States Employment Service authorizes grants to eligible jurisdictions which maintain employment services conforming to the standards set forth in the act. The act applies to Alaska and Hawaii, and was in 1950 extended to Puerto Rico and the Virgin Islands as well. Section 17 would extend it to Guam on the same terms as it now applies to Puerto Rico and the Virgin Islands.

18. Section 18 amends the Public Health Service Act to authorize the Surgeon General to extend certain services to Guam.

The Public Health Service Act is now generally applicable to Alaska, Hawaii, Puerto Rico, and the Virgin Islands, and some of its provisions apply to Guam, as well. Two of the most important activities authorized by the act do not, however, apply to Guam: namely, the detaining of personnel and the payment of grants-in-aid for the study, prevention, control, and treatment of certain diseases (such as tuberculosis, venereal disease, mental health, heart disease, and cancer). Because Guam's health needs differ from those of other areas in the United States, it was thought desirable to extend these activities authorized by the Public Health Service Act to Guam on a more flexible basis than applies elsewhere. Section 18 provides the necessary flexibility, and allows grants to Guam for the study of such diseases as might be most prevalent in the territory.

19. Section 19 extends to Guam the Hospital Construction and Survey Act.

The Hospital Construction and Survey Act authorizes funds to assist eligible jurisdictions in studying and planning for their hospital needs and in constructing hospitals. Grants are based, for surveys, on a population basis, and for construction, on a formula based upon population and average per capita income. The act is applicable to Alaska, Hawaii, Puerto Rico, and the Virgin Isalnds, but the last is excluded from the section which provides that no grant for construction shall be less than $200,000 annually. Section 19 extends, the provisions of the act to Guam on the same basis as it applies to the Virgin Islands.

20. Section 20 allows the Governor of Guam to receive the Congressional Record gratuitously.

Existing law provides that the Governors of Alaska, Hawaii, Puerto Rico, and the Virgin Islands will receive gratuitous copies of the Congressional Record. Section 20 will include the Governor of Guam among them.

21. Section 21 provides that the salary of the Governor of Guam will be related to the Executive Pay Act of 1949. This will increase his annual salary from $13,125 to $15,000, the same as is paid to the Governor of the Virgin Islands.

22. Section 22 authorizes the Governor of Guam to enforce the Contraband Seizure Act.

The Contraband Seizure Act makes illegal the transportation by any vehicle, vessel, or aircraft of (*a*) narcotic drugs held contrary to the laws of the United States, (*b*) firearms with respect to which there has been a violation of the National Firearms Act, and (*c*) forged or counterfeit coins. Any vehicle used to transport such items is subject to seizure and forfeiture. The act is applicable to Guam, but provisions for enforcement by local officers are desirable. Section 21 provides such provisions.

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23. Section 23 amends the Uniform Code of Military Justice to exclude certain Guamanians from its application.

The Uniform Code of Military Justice provides that among those who are subject to it are "persons serving with, employed by, or accompanying the Armed Forces" and "persons within an area leased by or otherwise reserved or acquired for the use of the United States" when such persons are outside the continental United States, most of Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the Canal Zone. The effect of these provisions is to subject Guamanians employed by the military in Guam, and possibly their families, to the military court system in peacetime rather than to a civil court system. At the time of enactment, it was intended to include among the areas to which the military system could apply all territories where a civil court system was not readily available. Since a civil court system is available in Guam at this time, it is appropriate that Guam, too, be excluded from such military jurisdiction.

24. Section 24 extends to Guam the provisions of Federal copyright laws. The principal legal adviser of the Copyright Office states that presently the provisions of the United States copyright law are not applicable in Guam. Therefore, a book printed and bound in Guam is not now subject to protection of the United States law. The inclusion of this section will clearly extend such provisions to Guam as is done in the 48 States, the Territories, and the Commonwealth of Puerto Rico.

25. Section 25 extends to Guam the provisions of the recently enacted Library Services Act, which provides Federal grants-in-aid to each of the States and other Territories on a matching basis, for the extension of public library services to rural areas.

DEPARTMENTAL REPORTS

Favorable reports on H. R. 6254 and H. R. 9216, which subsequently became H. R. 11522, from the Departments of the Interior, Justice, Navy, and Treasury are given below. The Department of Agriculture opposed certain provisions of the original bill, H. R. 6254, and for that reason those provisions were stricken when H. R. 11522 was introduced. This measure is therefore now acceptable to the Department of Agriculture.

The Department of Agriculture feels that many of the programs of that Department are not suited to the needs of Guam, because of the comparatively small area and the different farming conditions to be found there. The Department has initiated plans to study the agricultural needs of the territory, with a view to making recommendations as to what types of agricultural assistance might appropriately be extended to it.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., January 19, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This will reply to your request for the views of this Department on H. R. 6254, a bill to implement section 25 (b)

of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes. I recommend that the proposed bill be not enacted, but that the attached proposed substitute bill, carrying the same title, be enacted in lieu thereof.

The purpose of H. R. 6254 and of the attached proposed bill is to extend to Guam certain Federal statutes which are not now applicable to the territory. The bills are, to a considerable extent, identical. To the extent that they differ, this Department's proposed substitute contains technical changes necessary to bring the legislation up to date and excludes certain provisions which require additional study. H. R. 6254 is identical to H. R. 10131, 83d Congress, a bill prepared by this Department in 1954 and introduced in the last Congress. It is to an extent now obsolete, for it will be noted, for example, that the amendments to the Internal Revenue Code carried in H. R. 6254 are keyed to the 1939 code, and the amendment to the Vocational Rehabilitation Act relates to a 1920 statute which has recently been materially amended. Other provisions of H. R. 6254, such as the sections extending to Guam various programs of the Department of Agriculture, and the section relating to the withholding statute of July 17, 1952, have been the subject of further discussions among the interested departments. We have concluded that the matters with which such sections are concerned might better be dealt with in separate legislation directed to Guam alone, and this Department will undertake to study such problems further and to submit appropriate legislation at a later date.

Largely because Guam's present status as an organized unincorporated territory of the United States was not established until 1950, the Congress has not on all occasions in the past made applicable to Guam those Federal laws which ought to apply there. By the Organic Act of Guam, enacted August 1, 1950 (64 Stat. 384, 48 U. S. C., 1952 ed., 1421 et seq.), Guam was declared to be an unincorporated territory of the United States, and a civil government for the territory was established. Guam at that time assumed a status analogous to that of the Virgin Islands, and it is of importance that it now receive comparable treatment under Federal law.

In order to determine which Federal statutes apply to Guam and to receive recommendations on changes in the application of such statute the Congress by section 25 (b) of the organic act (64 Stat. 384, 390, 48 U. S. C., 1952 ed., sec. 1421 (c) (b)), directed the President to appoint a commission of seven persons. This commission, the organic act provided, was to survey the field of Federal statutes and to make recommendations to the Congress within 12 months after the date of enactment of the organic act "as to which statutes of the United States not applicable to Guam on such date shall be made applicable to Guam, and as to which statutes of the United States applicable to Guam on such date shall be declared inapplicable." Pursuant to this section, the President in 1950 appointed the Commission on the Application of Federal Laws to Guam, and after a series of meetings in 1950 and 1951, the Chairman of the Commission on July 31, 1951, presented the Commission's report to the Congress (H. Doc. 212, 82d Cong., 1st sess.).

The proposed substitute bill would carry out many of the recommendations carried in part I of the report, entitled "Statutes of the

United States Not Applicable to Guam on August 1, 1950, Which Should Be Made Applicable." It would provide three of the amendments recommended in part II, entitled "Statutes of the United States Applicable to Guam on August 1, 1950, Which Should Be Declared Inapplicable." Finally, the proposed bill would amend three of the statutes included in part III of the report, which enumerates certain statutes enacted subsequent to August 1, 1950, which do not apply to Guam and which, in the Commission's view, might appropriately be amended to become applicable. The remaining sections of the report, parts IV and V, require no action and merely indicate those Federal statutes the application of which, in the Commission's view, require no change. Many of the Commission's recommendations have already been implemented by laws enacted by the Congress, while most of those which have not been implemented, or which are not provided for in the proposed bill, are dealt with in other legislation proposed or to be proposed by this Department.

Two sections of the bill relate to matters not within the Commission's recommendations. Section 22 would provide certain amendments to the judiciary provisions of the Guam Organic Act. The amendments contained in that section would (*a*) redefine and clarify the Federal jurisdiction of the district court of Guam; (*b*) provide for a three-member appellate division in the district court of Guam; (*c*) extend the appointment of the judge of the court from 4 to 8 years, as was recently done in the case of the Virgin Islands (Public Law 517, 83d Cong.), but the term of the present judge would not be affected; and (*d*) provide for the assignment of judges when the proper dispatch of the business of the court requires it. These amendments have been recommended to this Department by Judge Albert B. Maris of the United States Court of Appeals for the Third Circuit, who, at the request of the government of Guam, made an investigation of the territory's court system in 1951.

Section 23 provides certain amendments to the Contraband Seizure Act. The Commission found that the statute is now applicable to Guam and that it is enforceable there by Federal authorities (item 180, pt. IV, p. 24 of the report), but the Commission believed that it would be desirable to provide for the administration of the act on Guam by territorial officers. This is consistent with the Commission's recommendation for local administration of the Harrison Act, a statute which imposes taxes upon certain narcotics (see sec. 12 of the proposed bill and item 24, pt. I, p. 6 of the report). The Commission thought that this recommendation was warranted in view of the fact that the Congress has authorized administration of the Harrison Act in Puerto Rico by local internal revenue officers (sec. 4735, Internal Revenue Code of 1954), but because no statute presently authorizes local administration of the Contrabrand Seizure Act, the Commission believed that it would not be within its province to recommend administration by Guam officers. The Commission did not, therefore, make such a recommendation in its report, but it considered that action by the Congress authorizing such local administration would be desirable. Accordingly, section 23 authorizes administration of the Contrabrand Seizure Act by the Governor of Guam, acting through such territorial officers as he may designate.

Finally, I should like to call your attention to the provision in section 16 of the proposed bill relating to the Vocational Rehabilita-

tion Act. The Commission recommended that the Vocational Rehabilitation Act of 1920, as amended, be made applicable to Guam (item 6 pt. I, p. 9 of the report), and, accordingly, a provision to that end was included in the predecessors of the enclosed proposed bill (H. R. 6808, 82d Cong., H. R. 10131, 83d Cong.). The 83d Congress, however, amended the Vocational Rehabilitation Act generally (Public Law 565), and in so doing made only the portion of the statute relating to grants for special projects applicable to Guam. Because the Commission's recommendation on this subject was broader, and because the present Governor of Guam has urged very strongly that the new Vocational Rehabilitation Act be amended to apply generally to Guam, the enclosed proposed bill would have the effect of extending all of the provisions of that law to Guam.

There is attached a brief explanation of each section of the proposed bill. The Bureau of the Budget has advised that there is no objection to the presentation of this proposed legislation to the Congress.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

A BILL To implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 101 (a) (1) of the Federal Seed Act (53 Stat. 1275; 7 U. S. C., sec. 1561 (a) (1)), is amended by inserting immediately after the word "Hawaii," the word "Guam,".

(b) Section 101 (a) (8) (A) (ii) of the Federal Seed Act (53 Stat. 1275, 1277; 7 U. S. C., sec. 1561 (a) (8) (A) (ii)), is amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

(c) Section 101 (a) (9) (A) (ii) of the Federal Seed Act (53 Stat. 1275, 1277; 7 U. S. C., sec. 1561 (a) (9) (A) (ii), is amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

SEC. 2. The National Bank Act, and all other Acts of Congress relating to national banks, shall, insofar as not locally inapplicable hereafter, apply to Guam.

SEC. 3. The Federal Deposit Insurance Act (64 Stat. 873; 12 U. S. C., secs. 1811–1831), is amended—

(a) by inserting the word "Guam," after the words "Puerto Rico," in subsection (a) of section 3 and by substituting a comma for the period at the end of such subsection (a) and adding the following words "and the word 'State' means any State of the United States, the District of Columbia, any Territory of the United States, Puerto Rico, Guam, or the Virgin Islands.";

(b) by inserting the word "Guam," after the words "Puerto Rico," in each place where they appear in subsections (d), (e), and (o) of section 3;

(c) by inserting the word "Guam," after the words "Puerto Rico," in the first proviso of subsection (1) of section 3; and

(d) by inserting the words "of Guam," after the words "of Puerto Rico," where they appear in subsection (m) of section 3.

SEC. 4. Section 5 of the Act of March 9, 1945 (59 Stat. 33, 34; 15 U. S. C., sec. 1015), is amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

SEC. 5. Section 2 of the Act of June 3, 1948 (62 Stat. 334; 16 U. S. C., sec 8f), is amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

SEC. 6. Section 4 of the Act of June 23, 1936 (49 Stat. 1894, 1895; 16 U. S. C., sec. 17n), is amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

SEC. 7. Subsection (a) of section 8 of the Act of September 2, 1937 (50 Stat. 917), as amended (16 U. S. C., sec. 669g–l), is further amended to read as follows:

"(a) The Secretary of the Interior is authorized to cooperate with the Alaska Game Commission, the Division of Game and Fish of the Board of Commissioners of Agriculture and Forestry of Hawaii, the Commissioner of Agriculture and Commerce of Puerto Rico, the Governor of the Virgin Islands, and the Governor of Guam, in the conduct of wildlife-restoration projects, as defined in section 2 of this Act, upon such terms and conditions as he shall deem fair, just, and equitable, and is authorized to apportion to said Territories, Puerto Rico, the Virgin Islands, and Guam, out of money available for apportionment under this Act, such sums as he shall determine not exceeding $75,000 for Alaska, not exceeding $25,000 for Hawaii, and not exceeding $10,000 each for Puerto Rico, the Virgin Islands, and Guam, in any one year, which apportionments, when made, shall be deducted before making the apportionments to the States provided for by said sections; but the Secretary shall in no event require any of said cooperating agencies to pay an amount which will exceed 25 per centum of the cost of any project. Any unexpended or unobligated balance of any apportionment made pursuant to this section shall be available for expenditure in the Territories, Puerto Rico, the Virgin Islands, or Guam, as the case may be, in the succeeding year, on any approved project, and if unexpended or unobligated at the end of such year is authorized to be made available for expenditure by the Secretary of the Interior in carrying out the provisions of the Migratory Bird Conservation Commission."

SEC. 8. Section 12 of the Act of August 9, 1950 (64 Stat. 430, 434; 16 U. S. C., sec. 777k), is amended to read as follows:

"SEC. 12. The Secretary of the Interior is authorized to cooperate with the Alaska Game Commission, the Division of Game and Fish of the Board of Commissioners of Agriculture and Forestry of Hawaii, the Commissioner of Agriculture and Forestry of Puerto Rico, the Governor of the Virgin Islands, and the Governor of Guam in the conduct of fish restoration and management projects, as defined in section 2 of this Act, upon such terms and conditions as he shall deem fair, just, and equitable, and is authorized to apportion to said Territories, Puerto Rico, the Virgin Islands, and Guam, out of money available for apportionment under the Act, such sums as he shall determine, not exceeding $75,000 for Alaska, not exceeding $25,000 for Hawaii, and not exceeding $10,000 each for Puerto Rico, the Virgin Islands, and Guam, in any one year, which apportionments, when made, shall be deducted before making the apportionments to the States provided for by this Act; but the Secretary shall in no event require any of said cooperating agencies to pay an amount

which will exceed 25 per centum of the cost of any project. Any unexpended or unobligated balance of any apportionment made pursuant to this section shall be available for expenditure in the Territories of Puerto Rico, the Virgin Islands, or Guam, as the case may be, in the succeeding year, on any approved project, and if unexpended or unobligated at the end of such year is authorized to be made available for expenditure by the Secretary of the Interior in carrying on the research program of the Fish and Wildlife Service in respect to fish of material value for sport or recreation."

SEC. 9. (a) Guam shall be entitled to share in the benefits of the Vocational Education Act of 1946 (60 Stat. 775), and any Act amendatory thereof or supplementary thereto, upon the same terms and conditions as any of the several States. There is hereby authorized to be appropriated, for the fiscal year ending June 30, 1955, and annually thereafter, the sum of $80,000, to be available for allotment to Guam under such Act and the modifications hereinafter provided.

(b) Sums appropriated under the authority of subsection (a) of this section shall be allocated for vocational education in (1) agriculture, (2) home economics, (3) trades and industries, and (4) distributive occupations, in the proportion which the amount authorized to be appropriated under paragraphs (1), (2), (3), and (4), respectively, of section 3 of the Vocational Education Act of 1946, bears to the sum of such amounts except insofar as the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, deems it necessary to modify said proportions to met special conditions existing in Guam.

(c) The provisions of section 3 (60 Stat. 775; 20 U. S. C., sec. 15j), section 7 (60 Stat. 775, 777; 20 U. S. C., sec. 15o), and section 8 (b) (60 Stat. 775, 777; 20 U. S. C., sec. 15p (b)), of the Vocational Education Act of 1946, shall apply to sums appropriated under this section with such modifications as the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, shall deem necessary to meet special conditions existing in Guam.

(d) In addition to the sums authorized to be appropriated under section 9 of the Vocational Education Act of 1946 (60 Stat. 775, 777; 20 U. S. C., sec. 15q), there are hereby authorized to be appropriated such additional sums as may be necessary to carry out the provisions of this section, such sums to be expended for the same purposes and in the same manner as provided in section 7 of the Act of February 23, 1917 (39 Stat. 929, 933), as amended (20 U. S. C., sec. 15).

SEC. 10. The act of September 30, 1950 (64 Stat. 1100; 20 U. S. C., sec. 236 et seq.), as amended by Public Law 248, Eighty-third Congress (67 Stat. 530), is further amended by adding the word "Guam," immediately following the words "Wake Island," wherever they appear in such Act.

SEC. 11. Paragraph (14) of section 210 of the Act of September 23, 1950 (64 Stat. 967, 977), as amended, is further amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

SEC. 12. (a) The heading of section 4735 of the Internal Revenue Code of 1954 is amended by inserting the word "GUAM," immediately following the words "PUERTO RICO,".

(b) Subsection (a) of section 4735 of the Internal Revenue Code of 1954 is amended to read as follows:

"(a) PUERTO RICO, GUAM, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS.—In Puerto Rico, Guam, and the Trust Territory of the Pacific Islands, the administration of sections 4701 to 4707, inclusive; sections 4721 to 4726, inclusive; sections 4732 to 4734, inclusive; and insofar as they relate to narcotic drugs, sections 4771 to 4776, inclusive; the collection of the special tax imposed by section 4721 and the issuance of the order forms specified in section 4705, shall be performed by the appropriate internal revenue officers of those governments, and all revenues collected thereunder in Puerto Rico, Guam, and the Trust Territory of the Pacific Islands shall accrue intact to the general governments thereof, respectively. The highest court of original jurisdiction of the Trust Territory of the Pacific Islands shall possess and exercise jurisdiction in all cases arising in such Territory under sections 4701 to 4707, inclusive; sections 4721 to 4726, inclusive; sections 4732 to 4734, inclusive; and insofar as they relate to narcotic drugs, sections 4771 to 4776, inclusive."

(c) Section 4705 (h) is amended by inserting the word ", Guam," immediately following the words "Puerto Rico".

(d) The amendments made by this section shall take effect on the first day of the third month which begins more than ten days after the date of enactment of this Act.

SEC. 13. Subchapter B of Part I, Subchapter A, Chapter 39 of the Internal Revenue Code of 1954 is amended by inserting immediately after section 4715, the following new section to be numbered section 4716:

"SEC. 4716. APPLICATION TO GUAM.

"The provisions of this subpart shall be applicable to Guam, and in Guam the administration of this subpart shall be performed by the appropriate internal revenue officers of the Government of Guam, and all revenues collected thereunder in Guam shall accrue intact to the government thereof."

SEC. 14. Section 4774 of the Internal Revenue Code of 1954 is amended to read as follows:

"SEC. 4774. TERRITORIAL EXTENT OF LAW.

"The provisions of sections 4701 to 4707, inclusive, and sections 4721 to 4776, inclusive, (including penalties provided by sections 7237 and 7238) shall apply to the several States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, the Trust Territory of the Pacific Islands, and the insular possessions of the United States, except that (notwithstanding section 7651) sections 4741 to 4762, inclusive, and, insofar as they relate to marihuana, sections 4771 to 4776, inclusive, shall not apply to Guam or the Trust Territory of the Pacific Islands."

SEC. 15. (a) It shall be unlawful for any person to produce, manufacture, compound, possess, sell, give away, deal in, dispense, administer, or transport marihuana in Guam, or to import marihuana into or export it from Guam.

(b) As used in subsection (a) of this section, the term "marihuana" shall have the meaning now or hereafter ascribed to it in section 4761 (2) of the Internal Revenue Code, and the term "produce" shall mean (a) plant, cultivate, or in any way facilitate the natural growth of marihuana, or (b) harvest and transfer or make use of marihuana.

(c) Any person who shall violate subsection (a) of this section shall be punished for the first offense by a fine of not more than $2,000, or by imprisonment in jail for not less than two or more than five years, or by both, and shall be punished for each subsequent offense by a fine of not more than $2,000, or by imprisonment in jail for not less than five years or more than ten years, or by both; and any marihuana involved in any violation of subsection (a) of this section may be seized, and the court may order its confiscation and destruction.

SEC. 16. (a) Subsection (g) of section 11 of the Vocational Rehabilitation Act (68 Stat. 652, 662), is amended to read as follows:

"(g) The term 'State' includes Alaska, the District of Columbia, Hawaii, the Virgin Islands, Puerto Rico, and Guam."

(b) Subsection (h) of the Vocational Rehabilitation Act (68 Stat. 652, 662), is amended by inserting immediately after the words "Puerto Rico" the word ", Guam,".

(c) Subsection (i) of the Vocational Rehabilitation Act (68 Stat. 652, 662), is amended by inserting immediately after the words "PuertoRico" the word ", Guam,".

SEC. 17. (a) Subsection (b) of section 3 of the Act of June 6, 1933 (48 Stat. 113, 114), as amended (29 U. S. C., sec. 49b (b)), is further amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

(b) Subsection (b) of section 5 of the Act of June 6, 1933 (48 Stat. 113, 115), as amended (29 U. S. C., sec. 49d (b)), is further amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

SEC. 18. Effective July 1, 1955, the Public Health Service Act (58 Stat. 682), as amended (42 U. S. C., sec. 201 et seq.), is further amended by inserting after section 315 (58 Stat. 682, 695, 42 U. S. C., sec. 247), the following new section:

"GRANTS AND SERVICES TO GUAM

"SEC. 316. (a) There is hereby authorized to be appropriated for each fiscal year a sum sufficient to enable the Surgeon General, through the provision of consultative services, investigations, and demonstrations, grants-in-aid, and the training of personnel (including the establishment of facilities for research and training), to cooperate with and assist Guam in establishing and maintaining adequate public health services.

"(b) For each fiscal year, the Surgeon General shall determine the portion of the appropriation under subsection (a) which will be available for payments to Guam and shall from time to time make payments therefrom to Guam in the amounts he determines to be necessary for such ensuing period as he may designate. The amount so determined shall prior to payment, be reduced or increased, as the case may be, by the amount by which the Surgeon General finds that estimates of required expenditures with respect to any prior period were greater or less than the actual expenditures for such period. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to the audit or settlement by the General Accounting Office.

"(c) The moneys so paid to Guam shall be expended solely in carrying out the purposes specified in this section and in accordance

with a plan submitted by the health authority of Guam and approved by the Surgeon General. Such moneys shall be paid upon the condition that there shall be spent in Guam for the same general purpose from funds of Guam an amount determined by the Surgeon General.

"(d) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the health authority of Guam, finds that with respect to money paid to Guam under this section there is a failure to comply substantially with the provisions of this section or the plan submitted under this section, he shall notify the health authority that further payments will not be made from appropriations under this section (or, in his discretion, that further payments will not be made from such appropriations for activities in which there is such failure) until he is satisfied that there will no longer be any such failure. Until he is so satisfied, the Surgeon General shall make no further payments from appropriations under this section, or shall limit payments to activities in which there is no such failure.

"(e) The Surgeon General is authorized, on request of the health authority of Guam, to detail personnel of the Service to Guam for the purposes and on the terms and conditions provided in section 214 (b) of this Act with respect to detail of personnel to States."

SEC. 19. (a) Subsection (a) of section 631 of the Hospital Construction and Survey Act (60 Stat. 1041, 1046), as amended (42 U. S. C., sec. 291i (a)), is further amended by inserting immediately after the words "Puerto Rico" the word ", Guam,".

(b) Subsection (d) of section 631 of the Hospital Construction and Survey Act (60 Stat. 1041, 1047), as amended (42 U. S. C., sec. 291i (d)), is further amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

(c) Section 624 of the Hospital Construction and Survey Act (60 Stat. 1041, 1045), as amended (42 U. S. C., sec. 291g), is further amended by inserting immediately after the words "the Virgin Islands" the words "or Guam."

SEC. 20. (a) Subsection (a) of section 501 of the Housing Act of 1949 (63 Stat. 413, 432; 42 U. S. C., sec. 1471 (a)), is amended by inserting after the words "Puerto Rico" the word ", Guam,".

(b) Subsection (a) of section 607 of the Housing Act of 1949 (63 Stat. 413, 441; 42 U. S. C., sec. 1442 (a)), is amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

SEC. 21. Section 73 of the Act of January 12, 1895 (28 Stat. 601, 612), as amended (44 U. S. C., sec. 183), is further amended by inserting the word "Guam," immediately after the words "Puerto Rico,".

SEC. 22. (a) The second sentence of subsection (a) of section 22 of the Organic Act of Guam (64 Stat. 384, 389; 48 U. S. C., sec. 1424 (a)), is amended to read as follows:

"The District Court of Guam shall have the jurisdiction of a district court of the United States in all causes arising under the Constitution, treaties and laws of the United States, regardless of the sum or value of the matter in controversy, shall have original jurisdiction in all other causes in Guam, jurisdiction over which has not been transferred by the legislature to other court or courts established by it, and shall have such appellate jurisdiction as the legislature may determine."

(b) Section 22 of the Organic Act of Guam (64 Stat. 384, 389; 48 U. S. C., sec. 1424) is amended by inserting at the end of subsection (a) thereof the following:

"Appeals to the District Court of Guam shall be heard and determined by an appellate division of the court consisting of three judges, of whom two shall constitute a quorum. The judge appointed for the court by the President shall be the presiding judge of the appellate division and shall preside therein unless disqualified or otherwise unable to act. The other judges who are to sit in the appellate division at any session shall be designated by the presiding judge from among the judges assigned to the court from time to time by the Chief Justice of the United States pursuant to section 24 (a) of this Act. The concurrence of two judges of the appellate division shall be necessary to any decision by the District Court of Guam on the merits of an appeal but the presiding judge alone may make any appropriate orders with respect to an appeal prior to the hearing and determination thereof on the merits and may dismiss an appeal for want of jurisdiction or failure to take or prosecute it in accordance with the applicable law or rules of procedure."

(c) The first sentence of subsection (a) of section 24 of the Organic Act of Guam (64 Stat. 384, 390) as amended (48 U. S. C., sec. 1424b (a)), is further amended by striking out the word "four" and inserting in lieu thereof the word "eight": *Provided*, That this amendment shall not affect the term of office of the judge of the District Court of Guam in office on the date of its enactment.

(d) The last sentence of subsection (a) of section 24 of the Organic Act of Guam (64 Stat. 384, 390), as amended (48 U. S. C., sec. 1424b (a)), is further amended to read as follows:

"The Chief Judge of the Ninth Judicial Circuit of the United States may assign a circuit or district judge of the Ninth Circuit, or the Chief Justice of the United States may assign any other United States circuit or district judge with the consent of the judge so assigned and of the chief judge of his circuit, or the Chief Justice of the United States may assign any judge of the Island Court of Guam to serve temporarily as a judge in the District Court of Guam whenever it is made to appear that such an assignment is necessary for the proper dispatch of the business of the court."

SEC. 23. The Act of August 9, 1939 (53 Stat. 1291), as amended (49 U. S. C., sec. 781–788), is further amended by adding at the end of section 8, the following new section 9:

"SEC. 9. (a) In Guam the enforcement and administration of this Act shall be performed by the Governor of Guam, acting through such officers of the Government of Guam as he may designate.

"(b) The Governor of Guam is authorized to carry out the provisions of the related laws set forth in section 4 of this Act, with such modifications as he shall deem necessary to meet special conditions on Guam; and the Governor is further authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act on Guam."

SEC. 24. Paragraphs (11) and (12) of article 2 of the Uniform Code of Military Justice (64 Stat. 108, 109; 50 U. S. C., sec. 552 (11) and (12)), are amended by inserting immediately after the words "Puerto Rico," the word "Guam,".

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., April 12, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This will refer to this Department's letter to you of January 19, 1956, commenting upon H. R. 6254, a bill to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes, and to H. R. 9216, with the same title, which is this Department's proposed substitute for H. R. 6254.

We recommend that one additional section be added to the bill to extend to Guam the provisions of the copyright laws.

The predecessors of H. R. 9216, the so-called Guam omnibus bills, have generally contained a provision relating to copyrights, for the Commission on the Application of Federal Laws to Guam recommended that they be expressly extended to the territory (par. 23, p. 6, H. Doc. 212, 82d Cong.). H. R. 6254 contained such a provision in section 17. In our proposed substitute for H. R. 6254, however, we excluded the copyright provision as a result of correspondence which we had with the Copyright Office, Library of Congress in 1955. We were advised that the principal legal adviser of the Copyright Office concluded:

"* * * that the United States copyright law is not presently applicable to Guam. Therefore, a book printed and bound in Guam at this time is not subject to protection of the United States law. The enactment of * * * H. R. 6254 would clearly serve to extend protection of the United States copyright to Guam but * * * there is serious doubt with regard to an English-language book wholly manufactured and published in Guam."

This doubt with respect to the application of the so-called manufacturing clause to Guam arises because the copyright law requires a book or periodical in the English language to be wholly manufactured "within the limits of the United States." The Copyright Office concluded that the language of section 17 of H. R. 6254 would not suffice to make clear whether the manufacturing clause includes Guam. In the circumstances, this Department planned to propose separate legislation embodying the language of section 17 of H. R. 6254 as well as such additional language as might be necessary to clarify the problem with respect to the manufacturing clause.

In subsequent correspondence with the Copyright Office, we have, however, been advised that it would be unwise to resolve this matter with respect to Guam and to leave the question unanswered with respect to other Territories. The Copyright Office has stated that the manufacturing problem is one which should receive careful consideration in connection with the general revision of the United States copyright law. Such consideration is expected to be given to this matter in connection with a 3-year study which the Copyright Office has undertaken concerning such a revision. That being so, we believe that the manufacturing clause matter might properly be postponed for consideration in connection with a general revision of the copyright

laws, and that it will be sufficient if there is now enacted a general provision of the sort contained in section 17 of H. R. 6254.

Accordingly, we recommend that there be added a new section, to be designated section 25, immediately following line 5 on page 18 of H. R. 9216, such section to read as follows:

"SEC. 25. The laws of the United States relating to copyrights, and to the enforcement of rights arising thereunder, shall have the same force and effect in Guam as in the continental United States."

The Bureau of the Budget has advised that there is no objection to the submission of this letter to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

DEPARTMENT OF JUSTICE,
April 13, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning the bill (H. R. 6254) to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes.

The recommendations of the Commission on the Application of Federal Laws to Guam to which the bill refers are included in House Document 212 of the 82d Congress, 1st session. In addition to providing for the carrying out of some of the recommendations made by the Commission, by extending the application of certain existing laws specifically to Guam, the bill also would provide for making applicable to Guam certain provisions of the Internal Revenue Code. It also would provide amendments to the provisions of sections 22 and 24 of the Organic Act of Guam relating to appeals to the district court of Guam and the assignment of judges to that court.

The Department of Justice has no objection to legislation to effect the purposes of this bill, but there are certain features of it to which the committee may wish to give further consideration.

References in the bill are to provisions of the Internal Revenue Code of 1939. Since the Internal Revenue Code of 1954 has superseded that of 1939 it would appear necessary to amend the bill to reflect the appropriate sections of the Internal Revenue Code of 1954.

Existing law provides for the assignment of judges to the District Court of Guam by the Chief Justice of the United States. Under subsection (b) of section 30 of the bill the chief judge of the Ninth Judicial Circuit of the United States may assign a circuit or district judge of the Ninth Circuit, or the Chief Justice of the United States may assign any other United States circuit or district judge with the consent of the judge so assigned and of the chief judge of his circuit, or the Chief Justice of the United States may assign any judge of the island court of Guam to serve temporarily as a judge in the district court of Guam whenever it is made to appear that such an assignment is necessary for the proper dispatch of the business of the court. Since

under this proposed amendment the chief judge of the Ninth Judicial Circuit would be authorized to assign judges to the district court of Guam, it is not clear why indication of this function is not also included in the amendment proposed under subsection (a) of section 30 of the bill. This could be done by inserting the language "or the chief judge of the Ninth Judicial Circuit of the United States" following the word "States" on line 17 at page 15 of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,
Deputy Attorney General.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 4, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives.

DEAR CONGRESSMAN ENGLE: This is in reply to your request of May 26, 1955, for a report on H. R. 6254, a bill to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes.

Although we agree with the objectives of the bill, this Department recommends against enactment of the proposed legislation in its present form.

Excessive costs and difficult administrative problems would be involved in extending to Guam these laws, which were designed for application to large agricultural areas. Moreover, there may be special agricultural needs in Guam which would not be adequately covered by these general laws. It would appear that a small agricultural staff, specializing on the peculiar needs of Guam, could better meet the needs of that island.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

DEPARTMENT OF THE NAVY,
OFFICE OF THE JUDGE ADVOCATE GENERAL,
Washington, D. C., April 6, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Your request for comment on the bill H. R. 6254, to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendation of the Commission on the Application of Federal Laws to Guam, and for other purposes, has been assigned to this Department by the Secretary of Defense for the preparation of a report thereon expressing the views of the Department of Defense.

The purpose of this measure is to extend to Guam certain Federal statutes which are not now applicable to that territory. Section 25 (b) of the Organic Act (64 Stat. 384, 390, 48 U. S. C. 1421c (b)), directed the President to appoint a commission to survey the field of Federal statutes and to make recommendations to the Congress as to which statutes should be declared applicable to Guam and which statutes should be declared inapplicable. The proposed bill would implement the recommendations of the foregoing Commission, which was appointed in 1950 and presented its report to the Congress on July 31, 1951.

Section 1 of the bill would make a provision of the Hayden-Cartwright Act (4 U. S. C. 104) applicable to Guam, with the result that all military exchanges would be required to pay gasoline taxes to Guam on all gasoline sold not for the exclusive use of the United States. Such taxes would be paid directly to the Guamanian tax authority.

The section of the Hayden-Cartwright Act, supra, which subjects military exchanges to local gasoline taxes, may be justified where the taxes paid are used for construction and repair of the highways used by consumers of the gasoline. The highways of Guam, however, cannot be compared with the highways of States or Territories of the United States. Within the continental United States authorized patrons of military exchanges consume gasoline purchased at such exchanges by drving on State or locally maintained highways. In Guam, however, of the main highways, including those within military reservations, interconnecting military reservations, and interconnecting the main Guam villages, 91 percent of the highways were constructed with military appropriations; 92 percent of the highways which were constructed with military appropriations must be maintained with appropriated funds; 54 percent of the highways constructed by the military are for the joint use of the military and Guamanians; 46 percent of Guam's highways are on military reservations and not open to general use by the Guamanians. Pursuant to an agreement between the Department of the Navy and the Department of the Interior, the government of Guam contributes 20 percent of the cost of routine maintenance of the joint-use highways. Millitary expenditures in the construction and maintenance of that portion of the Guam highway system to which Guam makes contribution has averaged about $180,000 per year. The annual contribution of Guam to these same highways has averaged $12,000. In addition to the main highways above, all streets in the villages of Agat and Agana have been reconstructed since World War II from military appropriations.

The present Guam tax on gasoline is 4 cents per gallon. The present monthly volume of gasoline sales by military exchanges is about 413,000 gallons. The volume of gasoline sold by military exchanges amounts to about 49 percent of the volume of civilian gasoline sales. Under the instant proposal therefore, the patrons of the exchanges on Guam would be contributing over $16,000 per month in gasoline taxes while the government of Guam would be contributing only $12,000 per year toward highways maintained by the military and used by the residents of Guam.

Further, in general, domiciliaries of Guam do not pay Federal income taxes, but pay taxes to Guam only. United States citizens

employed by the Government of the United States and servicemen pay United States income taxes, from which appropriated funds are taken to maintain military installations, including highways in Guam. The instant proposal, therefore, would result in double taxation of United States citizens serving or employed on Guam.

Section 2 of the bill would amend the act of July 17, 1952 (66 Stat. 765, 5 U. S. C., sec. 84b), by treating Guam as a "Territory" for the purposes of the act. The effect of its enactment would be to authorize the Secretary of the Treasury to enter into an agreement with Guam whereby all Federal agencies in Guam would be required to withhold the Guamanian income tax from the salaries and wages of their civilian employees, and report and remit such withholdings directly to the treasury of Guam.

By section 31 of the Organic Act of Guam the income tax for Guam is the same as the income tax imposed by the United States Internal Revenue Code. Therefore, every citizen civilian employee of the United States Government in Guam would suffer a deduction of twice the amount now being withheld for Federal income taxes. It is not enough to suggest that the individual would be entitled to a credit on his Federal return at the end of the year for taxes paid to Guam. Such credit would not be allowable if the taxpayer uses the standard deduction in the computation of his Federal tax, and most taxpayers use the standard deduction. Furthermore, the individuals would be required to wait as much as 16 to 18 months for a refund of the over-collection if he qualifies for the credit. Obviously, this would work a severe inequity against citizen employees in Guam, have a serious effect on employee morale, and unquestionably create an extreme labor problem in that area. Inasmuch as the income tax of States entitled to withholding agreements under the provisions of the act of July 17, 1952 (supra), represents a very small item compared to the amount of the Federal income tax, the proposal in favor of Guam is not at all comparable.

Under the provisions of section 30 of the Organic Act of Guam, Federal income taxes derived from Guam are required to be covered into the treasury of Guam. On the implementation of this law, a procedure has been worked out whereby the Internal Revenue Service certifies to the Department of the Treasury the total amount withheld for Federal income taxes from the salaries and wages of citizen employees of the United States in Guam and the Department of the Treasury then transmits the amount to the treasury of Guam. Because of the mobility of military personnel, it is almost impossible to accurately determine the amount of taxes withheld on their compensation for service in Guam. Therefore, two arbitrary dates were selected April 1 and October 1, and the amounts actually withheld on military payrolls of personnel in Guam on such rates are multiplied by six and the product is certified to the Department of the Treasury, which in turn pays that amount to the treasury of Guam. Payments to Guam are made quarterly. Accordingly, Guam is now receiving substantially all of the Federal income taxes withheld from the citizen employees (including the military) of the United States Government in Guam and it is understood that existing procedure is working very well and at an absolute minimum of administrative cost to Guam.

The enactment of section 2 of this bill could therefore result in Guam receiving double the Federal income tax on compensations of civilian citizen employees of the United States in Guam as well as the Federal income tax on the service pay of members of the Armed Forces in Guam. It should also be noted that the legislative history of the act of July 17, 1952 (supra), discloses that "possessions of the United States," which would have included Guam, were specifically eliminated from the bill by the congressional committee.

In view of the foregoing, the Department of the Navy, on behalf of the Department of Defense, is opposed to the enactment of sections 1 and 2 of H. R. 6254.

Sections 18 and 24 of the bill, entitling Guam to share in the benefits of the Vocational Education Act of 1946 and the Vocation Rehabilitation Act, are expected to be particularly beneficial to the Department of Defense in ultimately providing a labor market on Guam. Because of the lack of vocational-type training, the public-school system on Guam does not prepare Guamanians for employment with the Navy, or other Government agencies, in the skilled trades.

Section 19 of this measure permits extension of the act of September 30, 1950 (64 Stat. 1100; 20 U. S. C. 236), as amended by Public Law 248, 83d Congress (67 Stat. 530) to include Guam. This act provides financial assistance for local education agencies in areas affected by Federal activities. This also would be beneficial to the military departments in that it would provide financial assistance through the Department of Health, Education, and Welfare for public schools on Guam, which are attended by military dependents, just as is now done in continental United States communities where school are crowded with Federal dependents.

Subject to the foregoing, the Department of the Navy, on behalf of the Department of Defense, favors the enactment of H. R. 6254.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Department of the Navy has been advised by the Bureau of the Budget that there is no objection to the submission of this report to the Congress.

Sincerely yours,

W. R. SHEELEY,
Rear Admiral, USN,
Acting Judge Advocate General of the Navy
(For the Secretary of the Navy).

TREASURY DEPARTMENT,
Washington, April 6, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Your office has requested a statement of this Department's views on H. R. 6254, to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes.

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The proposed legislation includes provisions relating to national banks, to internal-revenue matters, and to narcotic legislation, which are of interest to this Department.

Section 2 of the bill would amend the act of July 17, 1952 (c. 940, sec. 1, 66 Stat. 765), relating to withholding of State income taxes by the Federal Government as an employer, so as to require such withholding with respect to the compensation of certain Federal employees working in Guam. The apparent purpose of section 2 is to meet the special tax-collection problem in Guam, detailed in the attached memorandum. The Department is not opposed to this purpose, but believes that amending the act of July 17, 1952, would be an inappropriate method of accomplishing it. It is suggested that the objective of section 2 might be accomplished by an appropriate amendment to the Organic Act of Guam.

Section 7 of the bill would make specifically applicable to Guam the National Bank Act and all other acts of Congress relating to national banks. This Department would have no objection to section 7.

Sections 20, 21, 22, 23, and 31 of the bill relate to narcotic matters. The Department would have no objection to these sections, but there are technical revisions which should be made.

The attached memorandum sets forth in detail the Department's position on the bill and contains the technical amendments suggested.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

W. RANDOLPH BURGESS,
Acting Secretary of the Treasury.

MEMORANDUM

Re H. R. 6254, to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the application of Federal laws to Guam, and for other purposes

Section 2 of H. R. 6254 would extend to Guam the provisions of the act of July 17, 1952 (Public Law 587, 82d Cong., c. 940, sec. 1, 66 Stat. 765, 5 U. S. C. 84b). The effect of this act is to require the Federal Government as an employer to comply with certain State and Territorial income tax withholding laws, upon the request of local authorities. The act provides that any State or Territory having a withholding law which is generally applicable to resident employees may require the Secretary of the Treasury to enter into an agreement whereby all Federal agencies will comply with such local law with respect to the compensation of employees (other than members of the Armed Forces) who are subject to local income tax and whose regular place of Federal employment is within the State or Territory involved.

Guam is not at present covered by the act of July 17, 1952, because it is not a "Territory" within the meaning of this act (see letter of the Acting Secretary of the Treasury to the Governor of Guam, January 19, 1953, a copy of which is attached. Nevertheless, the government of Guam is currently receiving from the Government of the United States amounts equal to the sum of all income taxes withheld

by the Federal Government, on its own behalf, from the compensation of all Federal employees who work in Guam and who are either citizens of the United States (not by reason of the Organic Act, infra) or residents of the continental United States. This arrangement covers members of the Armed Forces as well as civilian employees.

Under this arrangement which was worked out with Guam in late 1951 the United States turns over to the Treasury of Guam all amounts of income tax withheld which are attributable to the compensation of civilian and military personnel working for the Federal Government in Guam. The purpose of this arrangement is to comply with the Organic Act of Guam, which provides in part that all Federal income taxes "derived from Guam" shall be covered into the treasury of Guam (act of August 1, 1950, c. 512, sec. 30, 64 Stat. 392, 48 U. S. C. 1421h). The government of Guam, in turn, has agreed not to apply the Guam income tax system to civilian employees of the Federal Government who are citizens of the United States (not by reason of the Organic Act) or residents of the continental United States (members of the armed services are exempt by law from Guam income tax; see Soldiers' and Sailors' Civil Relief Act, Oct. 17, 1940, c. 888, sec. 514, 56 Stat. 777, as amended, 50 U. S. C. App. 574).

According to the best information available to this Department, citizens or residents of the continental United States constitute about a third of all civilian Federal employees in Guam at the present time. In addition, the Federal Government employs citizens of Guam (who are also citizens of the United States by virtue of the Organic Act of Guam) and aliens (for example, citizens of Japan and the Philippine Islands). Compensation received from such employment by citizens of Guam is subject to the Guam income tax but not the Federal income tax (see Internal Revenue Code of 1954, sec. 932). Similarly, compensation received by aliens working in Guam is subject to the Guam, but not the Federal, income tax.

At the present time, the Federal Government does not withhold income tax, either on its own behalf or on behalf of the government of Guam, on the compensation of Guamanians and nonresident aliens employed by the Federal Government in Guam. The apparent purpose of section 2 of the proposed bill is to insure collection at the source of Guam income taxes on the wages of these Federal employees.

This Department, while not opposed to the purpose of section 2, is opposed to its enactment in its present form. The reason for this position is that this Department believes that it would be inappropriate and not consistent with the basic objectives of the act of July 17, 1952, to amend such act to meet the special Guam tax collection problem outlined above.

The act of July 17, 1952, now permits agrements between the Secretary of the Treasury and local authorities only where "(1) the law of any State or Territory provides for the collection of a tax by imposing upon employers generally the duty of withholding sums from the compensation of employees and making returns of such sums to the authorities of such State or Territory, and (2) such duty to withhold is imposed generally with respect to the compensation of employees who are residents of such State or Territory." Even if the proposed amendment were adopted, therefore, it would not be possible

for the Secretary of the Treasury to enter into an agreement with Guam covering a limited group of Federal employees.

It should be noted that the act of July 17, 1952, was specifically drafted to bar agreements for compliance by the Federal Government with the limited withholding laws in effect in some States which are applicable only to nonresidents employed within the State. Any amendment to meet the special collection problem described above would undoubtedly lead to strong demands for similar relaxation of the act to cover State laws which provide for withholding only on nonresidents.

Such an extension of the terms of the act, whether made applicable to Guam alone or to States and Territories generally, would be contrary to the expressed intention of Congress when it originally enacted the law (see the language of the law itself, and the statement of Representative Reed of New York, that "the authorization for withholding contained in the bill as reported is limited so as not to apply with respect to the taxes of any State or Territory which requires withholding only with respect to nonresidents" (98 Congressional Record (1952) p. 9231).

Although opposed to the enactment of section 2 of the bill, the Treasury Department would have no objection to the enactment of other legislation to accomplish the same purpose. It is suggested that the apparent objective might be accomplished by an appropriate amendment to the Organic Act of Guam. If such an approach to the problem is determined to be desirable, this Department will be glad to join with the representatives of other interested agencies in drafting such an amendment.

Sections 20, 21, 22, 23, and 31 of the bill are of interest to the Bureau of Narcotics of this Department.

Section 22 is intended to make inapplicable to Guam the provisions of the Marihuana Tax Act but the text of that section as now drafted would also make inapplicable to Guam the narcotic provisions of the Internal Revenue Code. It is evidently the intention to make applicable to Guam, all of the internal revenue narcotic laws and to give the administrative and enforcement authority under those laws in the island to appropriate officers of the Guam Government, in line with the present plan of enforcement in Puerto Rico. The internal revenue marihuana laws, however, are not to be extended to Guam but control of marihuana in the island is to be accomplished by prohibitory measure set forth in section 23. This Department approves this plan because there is now practically no medical need for marihuana and controlled legislation of the type set forth in section 24 is much more desirable than legislation of the type of the Marihuana Tax Act. In order to accomplish this purpose, it is suggested that section 22 be revised to read as follows:

"Section 22. Section 4774 of the Internal Revenue Code of 1954 is amended to read as follows:

"SEC. 4774. TERRITORIAL EXTENT OF LAW.

"The provisions of sections 4701 to 4707, inclusive, and sections 4721 to 4776, inclusive (including penalties provided by sections 7237 and 7238), shall apply to the several States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, the Trust Territory of the Pacific Islands, and the insular possessions of the United States,

except that (notwithstanding sec. 7651) sections 4741 to 4762, inclusive, and, insofar as they relate to marihuana, sections 4771 to 4776, inclusive, shall not apply to Guam or the Trust Territory of the Pacific Islands."

Section 20 of the proposed legislation is intended to give to the island's government administrative authority under the narcotic laws extended to Guam. However, it does not appear to be sufficiently inclusive of all the narcotic laws so extended. It is suggested that subsections (a), (b), and (c) of section 20 be revised to read as follows:

"(a) The heading of section 4735 of the Internal Revenue Code of 1954 is amended by inserting the word 'Guam,' immediately following the words 'Puerto Rico,'.

"(b) Subsection (a) of section 4735 of the Internal Revenue Code of 1954 is amended to read as follows:

"(a) PUERTO RICO, GUAM, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS.—In Puerto Rico, Guam, and the Trust Territory of the Pacific Islands, the administration of sections 4701 to 4707, inclusive; sections 4721 to 4726, inclusive; sections 4732 to 4734, inclusive; and insofar as they relate to narcotic drugs, sections 4771 to 4776, inclusive; the collection of the special tax imposed by section 4721 and the issuance of the order forms specified in section 4705, shall be performed by the appropriate internal revenue officers of those governments, and all revenues collected thereunder in Puerto Rico, Guam, and the Trust Territory of the Pacific Islands shall accrue intact to the general governments thereof, respectively. The highest court of original jurisdiction of the Trust Territory of the Pacific Islands shall possess and exercise jurisdiction in all cases arising in such territory under sections 4701 to 4707, inclusive; sections 4721 to 4726, inclusive; sections 4732 to 4734, inclusive; and, insofar as they relate to narcotic drugs, sections 4771 to 4776, inclusive.

"(c) Section 4705 (h) is amended by inserting the word ', Guam,' immediately following the word 'Puerto Rico'."

It should be pointed out that the proposed revision of subsection (a) of section 4735, above, includes specific references to sections 4732 to 4734, inclusive and, insofar as they relate to narcotic drugs, sections 4771 to 4776, inclusive. These sections are not specifically included in the existing section 4735 (a) of the Internal Revenue Code of 1954. However, these functions are carried out by the local authorities in Puerto Rico and the trust territory. In the revision of the Internal Revenue Code these sections were apparently inadvertently omitted. The language suggested above will reflect the existing situation.

Furthermore, it should be noted that section 4731 of the Internal Revenue Code of 1954 relating to definitions is extended to Guam by the revised section 4774, but under the revised section 4735 the island authorities are not given administrative power over section 4731. The purpose of this is to withhold from the island authorities any authority to determine (with respect to Guam) what may be considered an opiate independent of the procedure outlined in section 4731 (g).

Section 21 of the bill would be covered by section 20 as revised above and should be deleted from the bill.

Section 23 relating to the prohibition on the importation, exportation, manufacture, etc., of marihuana in Guam is satisfactory to this Department. However, for technical reasons it is suggested that subsection (b) be amended to read as follows:

"(b) As used in subsection (a) of this section, the term 'marihuana' shall have the meaning now or hereafter ascribed to it in section 4761 (2) of the Internal Revenue Code, and the term 'produce' shall mean (a) plant, cultivate, or in any way facilitate the natural growth of marihuana, or (b) harvest and transfer or make use of marihuana."

Section 31 of the bill recognizes that the Contraband Seizure Act (49 U. S. C. 781–788) is applicable to Guam and confers on the Governor of Guam the enforcement and administration of that act and related statutes. This Department approves of this section.

JANUARY 19, 1953.

Hon. CARLTON SKINNER,
Governor of Guam,
Agana, Guam.

MY DEAR GOVERNOR SKINNER: This is in further reference to your letter of October 7, 1952, acknowledged November 10, 1952, in which you requested that the Secretary of the Treasury enter into an agreement with the Government of the Territory of Guam to provide that the Defense Department shall require its agencies in Guam to withhold from the wages of its alien employees who are subject to the income-tax laws in force in Guam, pursuant to Public Law 587, 82d Congress.

It appears clear on examination of the legislative history of Public Law 587 that the Congress, by both intent and action, limited its applicability to the 48 States and the Territories of Alaska and Hawaii. The three identical bills originally introduced by Senator Flanders, of Vermont (S. 1999), Representative Prouty, of Vermont (H. R. 5157), and Mr. Farrington, Delegate from Hawaii (H. R. 5224), provided for participation in its provisions by "any State, Territory, or possession of the United States, or any political subdivision thereof" which imposes on employers generally the duty of withholding sums from the compensation of employees.

S. 1999 was passed by the Senate on March 24, 1952, in this form. When the House Ways and Means Committee took the bill under consideration it directed the staff of the Joint Committee on Internal Revenue Taxation to work with the Treasury Department with a view to development of appropriate limitations which would insure that the legislation would not create unreasonable administrative burdens for the Federal Government. The staffs recommended to the committee that the bills be revised to contain a number of limitations, one of which was that the Federal Government should consent to comply only with the witholding statutes of States or Territories. Representative Prouty's remarks in the House on July 4, 1952 (98th Congressional Record 9448) makes reference to the work of these staffs and the changes in the original bill which resulted therefrom.

On July 3, 1952, H. R. 5157 was reported with amendments and ordered to be printed. Under the amendments, the former references to "possessions" and "political subdivisions" were eliminated. House Report No. 2474, dated July 3, 1952, accompanying H. R. 5157, although it did not explain the above elimination, referred to the applicability of the legislation only to "States or Territories" and noted that the Territories of Alaska and Hawaii and the States of

Vermont and Oregon had witholding statutes which apply to salaries of both residents and nonresidents.

On July 4, 1952, S. 1999 was passed by the House with an amendment which was identical with the amendment with which H. R. 5157 was reported on July 3. On the same date the Senate concurred in the House amendments. The bill as thus passed incorporated the limitation described above.

As you know, the Organic Act of Guam declares Guam to be an "unincorporated territory" of the United States. The committee reports on the bill that became the organic act would seem to make it clear that this descriptive language does not confer the status of "Territory" as that term is used in Public 587 and as is conferred on both Alaska and Hawaii by their organic acts wherein it is specified that certain "territory * * * shall be and consitute the Territory of Alaska" and certain "islands * * * shall be known as the Territory of Hawaii." For example, the report of the Senate committee contains this explanation: "Section 3 of the bill sets forth in specific langauge that Guam is declared by the act to be 'an unincorporated territory.' Thus it has the same legal status as Puerto Rico and the Virgin Islands, and is not similar to that of Alaska and Hawaii."

For the foregoing reasons, the Treasury Department feels that it has no legal authority to enter into an agreement with the Government of Guam pursuant to the provisions of Public Law 587.

Very truly yours,

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill H. R. 11522, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

(NOTE.—The section reference in parentheses preceding the citation related to the section of the bill, as reported.)

(Sec. 1) Section 101 (a) (8) (A), and (a) (9) (A) of the Federal Seed Act of August 9, 1939 (53 Stat. 1275, 1277); 7 U. S. C. 1561 (a), (a) (8), (a) (9))

SECTION 101. (a) When used in this Act—

* * * * * * *

(8) (A) For the purpose of title II, the term "weed seeds" means the seeds or bulblets of plants recognized as weeds either by the law or rules and regulations of—

(i) The State into which the seed is offered for transportation, or transported; or

(ii) Alaska, Hawaii, Puerto Rico, *Guam*, or District of Columbia into which transported, or District of Columbia in which sold.

* * * * * * *

(9) (A) For the purposes of title II, the term "noxious-weed seeds" means the seeds or bulblets of plants recognized as noxious—

(i) by the law or rules and regulations of the State into which the seed is offered for transportation, or transported;

(ii) by the law or rules and regulations of Alaska, Hawaii Puerto Rico, *Guam*, or the District of Columbia, into which transported, or District of Columbia in which sold; or

(iii) by the rules and regulations of the Secretary of Agriculture under this Act, when after investigation he shall determine that a weed is noxious in the United States or in any specifically designated area thereof.

(Sec. 3) Section 3 (a), (d), (e), (l), (m), and (o) of the Federal Deposit Insurance Act (64 Stat. 873 and 874; 12 U. S. C. 1813)

SEC. 3. As used in this Act—

(a) The term "State bank" means any bank, banking association, trust company, savings bank, or other banking institution which is engaged in the business of receiving deposits, other than trust funds as herein defined, and which is incorporated under the laws of any State, any Territory of the United States, Puerto Rico, *Guam*, or the Virgin Islands, or which is operating under the Code of Law for the District of Columbia (except a national bank), and includes any unincorporated bank the deposits of which are insured on the effective date of this amendment, *and the word "State" means any State of the United States, the District of Columbia, any Territory of the United States, Puerto Rico, Guam, or the Virgin Islands.*

* * * * * * *

(d) The term "national member bank" means any national bank located in any of the States of the United States, the District of Columbia, any Territory of the United States, Puerto Rico, *Guam*, or the Virgin Islands which is a member of the Federal Reserve System.

(e) The term "national nonmember bank" means any national bank located in any Territory of the United States, Puerto Rico, *Guam*, or the Virgin Islands which is not a member of the Federal Reserve System.

* * * * * * *

(l) The term "deposit" means the unpaid balance of money or its equivalent received by a bank in the usual course of business and for which it has given or is obligated to give credit to a commercial, checking, savings, time, or thrift account, or which is evidenced by its certificate of deposit, and trust funds held by such bank whether retained or deposited in any department of such bank or deposited in another bank, together with such other obligations of a bank as the Board of Directors shall find and shall prescribe by its regulations to be deposit liabilities by general usage: *Provided*, That any obligation of a bank which is payable only at an office of the bank located outside the States of the United States, the District of Columbia, any Territory of the United States, Puerto Rico, *Guam*, and the Virgin Islands, shall not be a deposit for any of the purposes of this Act or be included as a part of total deposits or of an insured deposit: *Provided further*, That any insured bank having its principal place of business in any of the States of the United States or in the District of Columbia which maintains a branch in any Territory of the United States, Puerto Rico, or the Virgin Islands may elect to exclude from

insurance under this Act its deposit obligations which are payable only at such branch, and upon so electing the insured bank with respect to such branch shall comply with the provisions of this Act applicable to the termination of insurance by nonmember banks: *Provided further,* That the bank may elect to restore the insurance to such deposits at any time its capital stock is unimpaired.

(m) The term "insured deposit" means the net amount due to any depositor for deposits in an insured bank (after deducting offsets) less any part thereof which is in excess of $10,000. Such net amount shall be determined according to such regulations as the Board of Directors may prescribe, and in determining the amount due to any depositor there shall be added together all deposits in the bank maintained in the same capacity and the same right for his benefit either in his own name or in the names of others except trust funds which shall be insured as provided in subsection (i) of section 7. Each officer, employee, or agent of the United States, of any State of the United States, of the District of Columbia, of any Territory of the United States, of Puerto Rico, *of Guam*, of the Virgin Islands, of any county, of any municipality, or of any political subdivision thereof, herein called "public unit", having official custody of public funds and lawfully depositing the same in an insured bank shall, for the purpose of determining the amount of the insured deposits, be deemed a depositor in such custodial capacity separate and distinct from any other officer, employee, or agent of the same or any public unit having official custody of public funds and lawfully depositing the same in the same insured bank in custorial capacity.

* * * * * * *

(o) The term "branch" includes any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State of the United States or in any Territory of the United States, Puerto Rico, *Guam*, or the Virgin Islands at which deposits are received or checks paid or money lent.

(Sec. 4) Section 5 of the Act of March 9, 1945 (59 Stat. 33, 34; 15 U. S. C., sec. 1015)

That the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

* * * * * * *

SEC. 5. As used in this Act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, *Guam*, and the District of Columbia.

(Sec. 5) Section 2 of the Act of June 3, 1948 (62 Stat. 334; 16 U. S. C., sec. 8f)

That the Secretary of the Interior is authorized in his discretion, subject to such conditions as may seem to him proper, to convey by proper quitclaim deed to any State, county, municipality, or proper agency thereof, in which the same is located, all the right, title, and

interest of the United States in and to any Government owned or controlled road leading to any national cemetery, national military park, national historical park, national battlefield park, or national historic site administered by the National Park Service. * * *

SEC. 2. The word "State" as used in this Act includes Hawaii, Alaska, Puerto Rico, *Guam*, and the Virgin Islands.

(Sec. 6) Section 4 of the Act of June 23, 1936 (49 Stat. 1894, 1895; 16 U. S. C., sec. 17n)

That the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to cause the National Park Service to make a comprehensive study, other than on lands under the jurisdiction of the Department of Agriculture, of the public park, parkway, and recreational-area programs of the United States, and of the several States and political subdivisions thereof, and of the lands throughout the United States which are or may be chiefly valuable as such areas, but no such study shall be made in any State without the consent and approval of the State officials, boards, or departments having jurisdiction over such lands and park areas. * * *

SEC. 4. As used in sections 1 and 2 of this Act the term "State" shall be deemed to include Hawaii, Alaska, Puerto Rico, *Guam*, the Virgin Islands, and the District of Columbia.

(Sec. 7) Subsection (a) of section 8 of the Act of September 2, 1937 (50 Stat. 917), as amended (16 U. S. C., sec. 669g–1)

SEC. 8 (a) The Secretary of the Interior is authorized to cooperate with the Alaska Game Commission, the Commissioner of Agriculture and Commerce of Puerto Rico, *the Governor of Guam*, and the Governor of the Virgin Islands, in the conduct of wildlife-restoration projects, as defined in section 669a of this title, upon such terms and conditions as he shall deem fair, just, and equitable, and is authorized to apportion to said Territory of Alaska, Puerto Rico, *Guam* and the Virgin Islands, out of money available for apportionment under sections 669–669j of this title, such sum as he shall determine, not exceeding $75,000 for Alaska, and not exceeding $10,000 each for Puerto Rico, *Guam*, and the Virgin Islands, in any one year, which apportionments, when made, shall be deducted before making the apportionments to the States provided for by said sections; but the Secretary shall in no event require any of said cooperating agencies to pay an amount which will exceed 25 per centum of the cost of any project. Any unexpended or unobligated balance of any apportionment made pursuant to this section shall be available for expenditure in the Territory of Alaska, Puerto Rico, *Guam* or the Virgin Islands, as the case may be, in the succeeding year, on any approved project, and if unexpended or unobligated at the end of such year is authorized to be made available for expenditure by the Secretary of the Interior in carrying out the provisions of sections 715–715d, 715e, 715f, 715k, and 715l–715r of this title.

(Sec. 8) Section 12 of the Act of August 9, 1950 (64 Stat. 430, 434; 16 U. S. C., sec. 777k)

Sec. 12. The Secretary of the Interior is authorized to cooperate with the Alaska Game Commission, the Commissioner of Agriculture and Commerce of Puerto Rico, *the Governor of Guam*, and the Governor of the Virgin Islands, in the conduct of fish restoration and management projects, as defined in section 777a of this title, upon such terms and conditions as he shall deem fair, just, and equitable, and is authorized to apportion to said Territory of Alaska, Puerto Rico, *Guam* and the Virgin Islands, out of money available for apportionment under this chapter, such sums as he shall determine, not exceeding $75,000 for Alaska, and not exceeding $10,000 each for Puerto Rico, *Guam* and the Virgin Islands, in any one year, which apportionments, when made, shall be deducted before making the apportionments to the States provided for by this chapter; but the Secretary shall in no event require any of said cooperating agencies to pay an amount which will exceed 25 per centum of the cost of any project. Any unexpended or unobligated balance of any apportionment made pursuant to this section shall be available for expenditure in the Territory of Alaska, Puerto Rico, *Guam* or the Virgin Islands, as the case may be, in the succeeding year, on any approved project, and if unexpended or unobligated at the end of such year is authorized to be made available for expenditure by the Secretary of the Interior in carrying on the research program of the Fish and Wildlife Service in respect to fish of material value for sport recreation.

(Sec. 10) Act of September 30, 1950 (64 Stat. 1100; 20 U. S. C., sec. 236 and the following), as amended by the Act of August 8, 1953 (67 Stat. 530)

SEC. 3. * * *
(a) * * *

* * * * * * *

LOCAL CONTRIBUTION RATE

(d) The local contribution rate for a local educational agency (other than a local educational agency in Alaska, Hawaii, Puerto Rico, Wake Island, *Guam*, or the Virgin Islands) for any fiscal year shall be computed by the Commissioner of Education, after consultation with the State educational agency and the local educational agency, in the following manner:

(1) he shall determine which school districts within the State are in his judgment generally comparable to the school district of the agency for which the computation is being made; and

(2) he shall then divide (A) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which he is making the computation, which the local educational agencies of such comparable school districts made from revenues derived from local sources, by (B) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such second preceding fiscal year.

The local contribution rate shall be an amount equal to the quotient obtained under clause (2) of this subsection. If, in the judgment of the Commissioner, the current expenditures in those school districts which he has selected under clause (1) are not reasonably comparable because of unusual geographical factors which affect the current expenditures necessary to maintain, in the school district of the local educational agency for which the computation is being made, a level of education equivalent to that maintained in such other districts, the Commissioner may increase the local contribution rate for such agency by such amount as he determines will compensate such agency for the increase in current expenditures necessitated by such unusual geographical factors. In no event shall the local contribution rate for any local educational agency in any State in the continental United States for any fiscal year be less than 50 per centum of (i) the aggregate current expenditures, during the second fiscal year preceding such fiscal year, made by all local educational agencies in such State (without regard to the source of the funds from which such expenditures were made), divided by (ii) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such second preceding fiscal year. The local contribution rate for any local educational agency in Alaska, Hawaii, Puerto Rico, Wake Island, *Guam*, or the Virgin Islands, shall be determined for any fiscal year by the Commissioner in accordance with policies and principles which will, in his judgment, best effectuate the purposes of this Act and most nearly approximate the policies and principles provided herein for determining local contribution rates in other States.

* * * * * * *

CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

SEC. 6. * * *
(a) * * *

* * * * * * *

(c) In any case in which the Commissioner makes arrangements under this section for the provisions of free public education in facilities situated on Federal property in Puerto Rico, Wake Island, *Guam*, or the Virgin Islands, he may also make arrangements for providing free public education in such facilities for children residing with a parent employed by the United States, but only if the Commissioner determines after consultation with the appropriate State educational agency (1) that the provision of such education is appropriate to carry out the purposes of this Act, and (2) that no local educational agency is able to provide suitable free public education for such children.

DEFINITIONS

SEC. 9. For the purposes of this Act—
(1) * * *

* * * * * * *

(8) The term "State" means a State, Alaska, Hawaii, Puerto Rico, Wake Island, *Guam*, or the Virgin Islands.

(Sec. 11) Section 210 (14) of the Act of September 23, 1950 (64 Stat. 967, 977; 20 U. S. C., sec. 251 and the following)

TITLE I—SURVEYS AND STATE PLANS FOR SCHOOL CONSTRUCTION

AUTHORIZATION OF APPROPRIATION

SEC. 101. In order to assist the several States to inventory existing school facilities, to survey the need for the construction of additional facilities in relation to the distribution of school population, to develop States plans for school construction programs, and to study the adequacy of State and local resources available to meet school facilities requirements, there is hereby authorized to be appropriated the sum of $3,000,000, to remain available until expended. The sums appropriated pursuant to this section shall be used for making payments to States whose applications for funds for carrying out such purposes have been approved: *Provided*, That the making of grants under this title shall not in any way commit the Congress to authorize or appropriate funds to undertake the construction of any public works so planned.

* * * * * * *

TITLE II—SCHOOL CONSTRUCTION IN FEDERALLY AFFECTED AREAS

* * * * * * *

DEFINITIONS

SEC. 210. For the purposes of this Act—

(1) * * *

* * * * * * *

(14) The term "State" means a State, Alaska, Hawaii, Puerto Rico, *Guam*, or the Virgin Islands; except that for the purposes of title I the term includes, in addition, the District of Columbia.

(Secs. 12, 13, and 14) Sections 4705, 4715, 4716, 4735, and 4774 of the Internal Revenue Code of 1954

SEC. 4705. ORDER FORMS.

* * * * * * *

(h) CROSS REFERENCE.—

For issuance of order forms in Puerto Rico and the Trust Territory of the Pacific Islands, see section 4735 (a). *For issuance of order forms in Guam, see section 4735 (d).*

* * * * * * *

SEC. 4715. CROSS REFERENCES.

For penalties and other general and administrative provisions applicable to this subpart, see sections 4731 to 4736, inclusive; sections 4771 to 4776, inclusive; and subtitle F.

SEC. 4716. APPLICATION TO GUAM.

The provisions of this subpart shall be applicable to Guam, and in Guam the administration of this subpart shall be performed by the appropriate internal revenue officers of the Government of Guam, and all revenues collected thereunder in Guam shall accrue intact to the government thereof.

* * * * * * *

SEC. 4735. ADMINISTRATION IN PUERTO RICO, THE TRUST TERRITORY OF THE PACIFIC ISLANDS, *GUAM*, THE CANAL ZONE, AND THE VIRGIN ISLANDS.

(a) PUERTO RICO AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS.—In Puerto Rico and the Trust Territory of the Pacific Islands, the administration of sections 4701 to 4707, inclusive, and sections 4721 to 4726, inclusive, the collection of the special tax imposed by section 4721, and the issuance of the order forms specified in section 4705 shall be performed by the appropriate internal revenue officers of those governments, and all revenues collected thereunder in Puerto Rico and the Trust Territory of the Pacific Islands shall accrue intact to the general governments thereof, respectively. The highest court of original jurisdiction of the Trust Territory of the Pacific Islands shall possess and exercise jurisdiction in all cases arising in such Territory under sections 4701 to 4707, inclusive, and sections 4721 to 4726, inclusive.

(b) CANAL ZONE.—The President is authorized and directed to issue such Executive orders as will carry into effect in the Canal Zone the intent and purpose of sections 4701 to 4707, inclusive, and sections 4721 to 4726, inclusive, by providing for the registration and the imposition of a special tax upon all persons in the Canal Zone who produce, import, compound, deal in, dispense, sell, distribute, or give away narcotic drugs.

(c) VIRGIN ISLANDS.—

For authority of the President to exempt persons in the Virgin Islands from the order form requirements, see section 4705 (b).

(*d*) *GUAM.—In Guam the administration of sections 4701 to 4707, inclusive; sections 4721 to 4726, inclusive; sections 4732 to 4734, inclusive; and insofar as they relate to narcotic drugs, sections 4771 to 4776, inclusive; the collections of the special tax imposed by section 4721 and the issuance of the order forms specified in section 4705, shall be performed by the appropriate internal revenue officers of Guam, and all revenues collected thereunder in Guam shall accure intact to the general government thereof.*

* * * * * * *

SEC. 4774. TERRITORIAL EXTENT OF LAW.

The provisions of sections 4701 to 4707, inclusive, and sections 4721 to 4776, inclusive, shall apply to the several States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, and the insular possessions of the United States; and, in the case of narcotic drugs, shall also apply to the Trust Territory of the Pacific Islands and to the Canal Zone*: Provided, That (notwithstanding section 7651), sections 4741 to 4762, inclusive, and insofar as they relate to marihuana, sections 4771 to 4776, inclusive, shall not apply to Guam.*

(Sec. 16) Subsections (g), (h), and (i) of section 11 of the Vocational Rehabilitation Act (68 Stat. 652, 662)

That this Act may be cited as the "Vocational Rehabilitation Amendments of 1954".

* * * * * * *

(g) The term "State" includes Alaska, the District of Columbia, Hawaii, the Virgin Islands, and Puerto Rico, [and for purposes of section 4, includes also Guam] *and Guam.*

(h) (1) The "allotment percentage" for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the continental United States (excluding Alaska), except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum, and (B) the allotment percentage for Hawaii shall be 50 per centum, and the allotment percentage for Alaska, Puerto Rico, *Guam*, and the Virgin Islands shall be 75 per centum.

(2) The allotment percentages shall be promulgated by the Secretary between July 1 and August 31 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the continental United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation: *Provided*, That the Secretary shall promulgate such percentages as soon as possible after the enactment of the Vocational Rehabilitation Amendments of 1954, which promulgation shall be conclusive for the three fiscal years in the period ending June 30, 1957.

(i) The "Federal share" for any State for any fiscal year (other than the fiscal year ending June 30, 1954) shall be 100 per centum less that percentage which bears the same ratio to 40 per centum as the per capita income of such State bears to the per capita income of the continental United States (excluding Alaska), except that (A) the Federal share shall in no case be more than 70 per centum or less than 50 per centum, and (B) the Federal share for Hawaii and Alaska shall be 60 per centum, and the Federal share for Puerto Rico, *Guam*, and the Virgin Islands shall be 70 per centum. In computing the Federal share of a State for a year, the Secretary shall use the same figures for per capita incomes of the States and of the United States as he used in computing the allotment percentage of such State for such year.

* * * * * * *

(Sec. 17) Section 3 (b) of the Act of June 6, 1933 (48 Stat. 113, 114), as amended (29 U. S. C., sec. 49b (b))

That in order to promote the establishment and maintenance of a national system of public employment officers there is created a bureau to be known as the United States Employment Service.

* * * * * * *

SEC. 3. (a) * * *

(b) Whenever in this Act the word "State" or "States" is used, it shall be understood to include Hawaii, Alaska, Puerto Rico, *Guam*, and the Virgin Islands.

Section 5 (b) of the Act of June 6, 1933 (48 Stat. 113, 115), as amended (29 U. S. C., sec. 49d (b))

SEC. 5. (a) There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts from time to time as the Congress may deem necessary to carry out the purposes of this Act.

(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which (i), except in the case of Puerto Rico, *Guam*, and the Virgin Islands, has an unemployment compensation law approved by the Secretary under the Federal Unemployment Tax Act and is found to be in compliance with section 303 of the Social Security Act, as amended, and (ii) is found to be in compliance with the Act of June 6, 1933 (48 Stat. 113), as amended, such amounts as the Secretary determines to be necessary for the proper and efficient administration of its public employment offices.

(Sec. 18) Section 314 of the Public Health Service Act (58 Stat. 682, 693) as amended (42 U. S. C., sec. 246)

GRANTS AND SERVICES TO STATES

SEC. 314. (a) To enable the Surgeon General to carry out the purposes of section 301 with respect to developing more effective measures for the prevention, treatment, and control of venereal diseases, and to assist, through grants and as otherwise provided in this section, States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate measures for the prevention, treatment, and control of such diseases, including the training of personnel for State and local health work, and to enable him to prevent and control the spread of the venereal diseases in interstate traffic, and to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Service detailed to assist in carrying out the purposes of this section with respect to the venereal diseases, and to administer this section with respect to such diseases, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this subsection.

(b) To enable the Surgeon General to carry out the purposes of section 301 with respect to developing more effective measures for the prevention, treatment, and control of tuberculosis, and to assist, through grants and as otherwise provided in this section, States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate measures for the prevention, treatment, and control of tuberculosis, and to assist, vision of appropriate facilities for care and treatment and including the training of personnel for State and local health work, and to enable him to prevent and control the spread of tuberculosis in interstate traffic, and to meet the cost of pay, allowances, and traveling

expenses of commissioned officers and other personnel of the Service detail to assist in carrying out the purposes of this section with respect to tuberculosis, and to administer this section with respect to such disease, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1945, the sum of $10,000,000, and for each fiscal year thereafter a sum sufficient to carry out the purposes of this subsection.

(c) To enable the Surgeon General to assist, through grants and as otherwise provided in this section, States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate public health services, including grants for demonstrations and for training of personnel for State and local health work, there is hereby authorized to be appropriated for each fiscal year a sum not to exceed $30,000,000. Of the sum appropriated for each fiscal year pursuant to this subsection there shall be available an amount, not to exceed $3,000,000, to enable the Surgeon General to provide demonstrations and to train personnel for State and local health work and to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Service detailed to assist States in carrying out the purposes of this subsection.

(d) For each fiscal year, the Surgeon General, with the approval of the Administrator, shall determine the total sum from the appropriation under subsection (a), the total sum from the appropriation under subsection (b), and, within the limits specified in subsection (c), the total sum from the appropriation under that subsection which shall be available for allotment among the several States. He shall, in accordance with regulations, from time to time make allotments from such sums to the several States on the basis of (1) the population, (2) the extent of the venereal-disease problem, the extent of the tuberculosis problem, and the extent of the mental health problem and other special health problems, respectively, and (3) the financial need of the respective States. Upon making such allotments the Surgeon General shall notify the Secretary of the Treasury of the amounts thereof.

(e) To enable the Surgeon General to carry out the purposes of part B of title IV and to assist, through grants, States, counties, health districts, and other political subdivisions of the State, and public and nonprofit agencies, institutions, and other organizations, in establishing and maintaining organized community programs of heart disease control, including grants for demonstrations and the training of personnel, there is hereby authorized to be appropriated for each fiscal year such sums as may be necessary for such purposes. For each fiscal year, the Surgeon General, with the approval of the Administrator, shall determine the total sum from the appropriation under this subsection which shall be available for allotment among the several States, and shall, in accordance with regulations, from time to time make allotments from such sum to the several States on the basis of (1) the population and (2) the financial need of the respective States. Upon making such allotments the Surgeon General shall notify the Secretary of the Treasury of the amounts thereof.

(f) The Surgeon General, with approval of the Administrator, shall from time to time determine the amounts to be paid to each State from the allotments to such State, and shall certify to the

Secretary of the Treasury, the amounts so determined, reduced or increased, as the case may be, by the amounts by which he finds that estimates of required expenditures with respect to any prior period were greater or less than the actual expenditures for such period: *Provided*, That in the case of amounts to be paid from allotments to any State under subsection (e), the Surgeon General may determine and certify to the Secretary of the Treasury amounts to be paid to a county, health district, other political subdivision of the State or to any public or nonprofit agency, institution, or other organization in the State, if he finds that payment to such subdivision or other organization has been recommended by the State health authority of the State, and (1) that the State health authority has not, prior to August 1 of the fiscal year for which the allotment is made, presented and had approved a plan in accordance with subsection (g), or (2) that the State health authority is not authorized by law to make payments to such other organization. Upon receipt of such certification, the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay in accordance with such certification.

(g) The moneys so paid to any State, or to any political subdivision or other organization, shall be expended solely in carrying out the purposes specified in subsection (a), or subsection (b), or subsection (c), or subsection (e), as the case may be, and in accordance with plans, approved by the Surgeon General, which have been presented by the health authority of such State, or, under the circumstances specified in subsection (f) (1), by the political subdivision, or the agency, institution or other organization to whom the payment is made, and, to the extent that any such plan contains provisions relating to mental health, by the mental health authority of such State.

(h) Money so paid from allotments under subsections (a), (b), (c), and (e), shall be paid upon the condition that there shall be spent in such State for the same general purpose, from funds of such State and its political subdivisions (or in the case of payments to a political subdivision or to an agency, institution or other organization under circumstances specified in subsection (f) (1), from funds of such political subdivision or organization), an amount determined in accordance with regulations.

(i) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the health authority or, where appropriate, the mental health authority of the State (or, in the case of payments to any political subdivision or any agency, institution, or other organization under the circumstances specified in subsection (f) (1), such subdivision or organization) finds that, with respect to money paid to the State, subdivision, or organization out of appropriations under subsection (a), or subsection (b), or subsection (c), or subsection (e), as the case may be, there is a failure to comply substantially with either—

(1) the provisions of this section;
(2) the plan submitted under subsection (g); or
(3) the regulations;

the Surgeon General shall notify such State health authority or mental health authority, political subdivision, or organization that further payments will not be made to the State subdivision, or organization, from appropriations under such subsection (or in his discretion that

further payments will not be made to the State, subdivision, or organization from such appropriations for activities in which there is such failure), until he is satisfied that there will no longer be any such failure. Until he is so satisfied the Surgeon General shall make no further certification for payment to such State, subdivision, or organization from appropriations under such subsection, or shall limit payment to activities in which there is no such failure.

(j) All regulations and amendments thereto with respect to grants to States under this section shall be made after consultation with a conference of the State health authorities and, in the case of regulations or amendments which relate to or in any way affect grants under subsection (c) for work in the field of mental health, the State mental health authorities. Insofar as practicable, the Surgeon General shall obtain the agreement, prior to the issuance of any such regulations or amendments, of the State health authorities and, in the case of regulations or amendments which relate to or in any way affect grants under subsection (c) for work in the field of mental health, the State mental health authorities.

(k) Funds appropriated under subsection (a) and funds appropriated under subsection (b), in addition to being available for payments to States, shall also be available for expenditure by the Surgeon General in otherwise carrying out the respective subsections, including expenditures for printing and binding of the findings of investigations, and for pay and allowances and traveling expenses of personnel of the Service engaged in activities authorized by the respective subsections.

(l) Except as otherwise provided in this subsection, the provisions of this section shall be applicable to Guam in the same manner in which they apply to the States. Amounts paid to Guam from its allotment under subsections (a), (b), (c), or (e) of this section, together with matching funds of Guam, may, with the approval of the Surgeon General, be expended in carrying out the purposes specified in any such subsection or subsections other than the one under which the allotment was made.

(Sec. 19) Sections 624, 631 (a) and (d), and Section 652 of the Public Health Service Act (42 U. S. C., sec. 291g, 291i (a), 291i (d) and 291t)

ALLOTMENTS TO STATES

SEC. 624. Each State for which a State plan has been approved prior to or during a fiscal year shall be entitled for such year to an allotment of a sum bearing the same ratio to the sums authorized to be appropriated pursuant to section 621 for such year as the product of (a) the population of such State and (b) the square of its allotment percentage (as defined in section 631 (a)) bears to the sum of the corresponding products for all of the States: *Provided*, That no such allotment to any State shall be less than $200,000 but for the purpose of this proviso the term "State" shall not include the Virgin Islands *or Guam*. The amount of the allotment to a State shall be available, in accordance with the provisions of this part, for payment of the Federal share of the cost of approved projects within such State. The Surgeon General shall calculate the allotment to be made under this section and notify the Secretary of the Treasury of the

amounts thereof. Sums allotted to a State for a fiscal year for construction and remaining unobligated at the end of such year shall remain available to such State for such purpose for the next fiscal year (and for such a year only), in addition to the sums allotted for such State for such next fiscal year. Any amount of the sum authoried to be appropriated for a fiscal year which is not appropriated for such year, or which is not allotted in such year by reason of the failure of any State or States to have plans approved under this part, and any amount allotted to a State but remaining unobligated at the end of the period for which it is available to such State, is hereby authorized to be appropriated for the next fiscal year in addition to the sum otherwise authoried under section 621.

* * * * * * *

DEFINITIONS

SEC. 631. For the purpose of this title—

(a) the allotment percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the continental United States (excluding Alaska), except that (1) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum, and (2) the allotment percentage for Alaska and Hawaii shall be 50 per centum each, and the allotment percentage for Puerto Rico, *Guam*, and the Virgin Islands shall be 75 per centum;

(b) the allotment percentages shall be promulgated by the Surgeon General between July 1 and August 31 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the continental United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation: *Provided*, That the Surgeon General shall promulgate such percentages as soon as possible after the enactment of this title, which promulgations shall be conclusive for the fiscal year ending June 30, 1947;

(c) the population of the several States shall be determined on the basis of the latest figures certified by the Department of Commerce;

(d) the term "State" includes Alaska, Hawaii, Puerto Rico, *Guam*, the Virgin Islands and the District of Columbia;

* * * * * * *

ALLOTMENTS TO STATES

SEC. 652. Each State shall be entitled for each fiscal year to an allotment of a sum bearing the same ratio to the sums appropriated for such year pursuant to paragraphs (1), (2), (3), and (4), respectively, of section 651, as the product of (a) the population of such State and (b) the square of its allotment percentage (as defined in section 631 (a)) bears to the sum of the corresponding products for all of the States: *Provided*, That no such allotment to any State for

the purposes of paragraph (1) or (2) of section 651 shall be less than $100,000 and no such allotment to any State for the purpose of paragraph (3) or (4) shall be less than $50,000, but for the purpose of this provide the term "State" shall not include the Virgin Islands *or Guam*. Sums allotted to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for the same purpose for the next fiscal year (and for such year only) in addition to the sums allotted to such State for such next fiscal year.

(Sec. 20) Section 73 of the Act of January 12, 1895 (28 Stat. 601, 612), as amended (44 U. S. C., sec. 183)

SEC. 73. The Public Printer shall furnish the Congressional Record as follows and shall furnish gratuitously no others in addition therto:

* * * * * * *

To the offices of the Governors of Alaska, Hawaii, Puerto Rico, *Guam*, and the Virgin Islands, each, five copies in both daily and bound form.

* * * * * * *

(Sec. 21) Section 26 (a) of the Organic Act of Guam (64 Stat. 384, 391; 48 U. S. C., sec. 1421d (a))

SEC. 26. (a) The Governor shall receive an annual salary at the rate provided for [Governors of Territories and possessions] *the Governor of the Virgin Islands* in the Executive Pay Act of 1949,[but not to exceed $13,125,] *as heretofore or hereafter amended*, to be paid by the United States: *Provided*, That if the Governor shall be a retired officer of the armed forces of the United States the pay which he shall receive as Governor shall be his pay and allowances as such officer plus such sum as will total the equivalent of the compensation for a civilian Governor.

* * * * * * *

(Sec. 22) Act of August 9, 1939 (53 Stat. 1291), as amended (49 U. S. C., sec. 781–788)

That (a) it shall be unlawful (1) to transport, carry, or convey any contraband article in, upon, or by means of any vessel, vehicle, or aircraft; (2) to conceal or possess any contraband article in or upon any vessel, vehicle, or aircraft, or upon the person of anyone in or upon any vessel, vehicle, or aircraft; or (3) to use any vessel, vehicle, or aircraft to facilitate the transportation, carriage, conveyance, concealment, receipt, possession, purchase, sale, barter, exchange, or giving away of any contraband article.

(b) As used in this section, the term "contraband article" means—

(1) Any narcotic drug which has been or is possessed with intent to sell or offer for sale in violation of any laws or regulations of the United States dealing therewith, or which is sold or offered for sale in violation thereof, or which does not bear appropriate tax-paid internal-revenue stamps as required by law or regulations:

(2) Any firearm, with respect to which there has been committed any violation of any provision of the National Firearms Act, as now or hereafter amended, or any regulation issued pursuant thereto; or

(3) Any falsely made, forged, altered, or counterfeit coin or obligation or other security of the United States or of any foreign government; or any material or apparatus, or paraphernalia fitted or intended to be used, or which shall have been used, in the making of any such falsely made, forged, altered, or conterfeit coin or obligation or other security.

SEC. 2. Any vessel, vehicle, or aircraft which has been or is being used in violation of any provision of section 1, or in, upon, or by means of which any violation of section 1 has taken or is taking place, shall be seized and forfeited: *Provided*, That no vessel, vehicle, or aircraft used by any person as a common carrier in the transaction of busines as such common carrier shall be forfeited under the provisions of this Act unless it shall appear that (1) in the case of a railway car or engine, the owner, or (2) in the case of any other such vessel, vehicle, or aircraft, the owner or the master of such vessel or the owner or conductor, driver, pilot, or other person in charge of such vehicle or aircraft was at the time of the alleged illegal act a consenting party or privy thereto: *Provided further*, That no vessel, vehicle, or aircraft shall be forfeited under the provisions of this Act by reason of any act or omission established by the owner thereof to have been committed or omitted by any yerson other than such owner while such vessel, vehicle, or aircraft was unlawfully in the possession of a person who acquired possession thereof in violation of the criminal laws of the United States, or of any State.

SEC. 3. The Secretary of the Treasury is empowered to authorize, or designate, officers, agents, or other persons to carry out the provisions of this Act. It shall be the duty of any officer, agent, or other person so authorized or designated, or authorized by law, whenever he shall discover any vessel, vehicle, or aircraft which has been or is being used in violation of any of the provisions of this Act, or in, upon, or by means of which any violation of this Act has taken or is taking place, to seize such vessel, vehicle, or aircraft and to place it in the custody of such person as may be authorized or designated for that purpose by the Secretary of the Treasury, to await disposition pursuant to the provisions of this Act and any regulations issued hereunder.

SEC. 4. All provisions of law relating to the seizure, summary and judicial forfeiture, and condemnation of vessels and vehicles for violation of the customs laws; the disposition of such vessels and vehicles or the proceeds from the sale thereof; the remission or mitigation of such forfeitures; and the compromise of claims and the award of compensation to informers in respect of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this Act, insofar as applicable and not inconsistent with the provisions hereof: *Provided*, That such duties as are imposed upon the collector of customs or any other person with respect to the seizure and forfeiture of vessels and vehicles under the customs laws shall be performed with respect to seizures and forfeitures of vessels, vehicles, and aircraft under this Act by such officers, agents, or other persons as may be authorized or designated for that purpose by the Secretary of the Treasury.

SEC. 5. Any appropriation which has been or shall hereafter be made for the enforcement of the customs, narcotics, counterfeiting, or internal-revenue laws, and the provisions of the National Firearms Act shall be available for the defraying of expenses of carrying out the provisions of this Act.

SEC. 6. The provisions of this Act shall be construed to be supplemental to, and not to impair in any way, existing provisions of law imposing fines, penalties, or forfeitures; or providing for the seizure, condemnation, or disposition of forfeited property or the proceeds thereof; or authorizing the remission or mitigation of fines, penalties, or forfeitures.

SEC. 7. When used in this Act—

(a) The term "vessel" includes every description of watercraft or other contrivance used, or capable of being used, as a means of transportation in water, but does not include aircraft;

(b) The term "vehicle" includes every description of carriage or other contrivance used, or capable of being used, as means of transportation on, below, or above the land, but does not include aircraft;

(c) The term "aircraft" includes every description of craft or carriage or other contrivance used, or capable of being used, as means of transportation through the air;

(d) The term "narcotic drug" means any narcotic drug, as now or hereafter defined by the Narcotic Drugs Import and Export Act, the internal-revenue laws or any amendments thereof, or the regulations issued thereunder; or marihuana as now or hereafter defined by the Marihuana Tax Act of 1937 or the regulations issued thereunder;

(e) The term "firearm" means any firearm, as now or hereafter defined by the National Firearms Act, or any amendments thereof, or the regulations issued thereunder; and

(f) The words "obligation or other security of the United States" are used as now or hereafter defined in section 147 of the Criminal Code, as amended (U. S. C., title 18, sec. 8).

SEC. 8. The Secretary of the Treasury shall prescribe such rules and regulations as may be necessary to carry out the provisions of this Act.

Sec. 9. (a) In Guam the enforcement and administration of this Act shall be performed by the Governor of Guam, acting through such officers of the Government of Guam as he may designate.

(b) The Governor of Guam is authorized to carry out the provisions of the related laws set forth in section 4 of this Act, with such modifications as he shall deem necessary to meet special conditions on Guam; and the Governor is further authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act on Guam.

(Sec. 23) Article 2 of the Uniform Code of Military Justice (64 Stat. 108, 109; 50 U. S. C., sec. 552)

ART. 2. Persons subject to the code.

The following persons are subject to this code:

* * * * * * *

(11) Subject to the provisions of any treaty or agreement to which the United States is or may be a party or to any accepted rule of

international law, all persons serving with, employed by, or accompanying the armed forces without the continental limits of the United States and without the following territories: That part of Alaska east of longitude one hundred and seventy-two degrees west, the Canal Zone, the main group of the Hawaiian Islands, Puerto Rico, *Guam*, and the Virgin Islands;

(12) Subject to the provisions of any treaty or agreement to which the United States is or may be a party or to any accepted rule of international law, all persons within an area leased by or otherwise reserved or acquired for the use of the United States which is under the control of the Secretary of a Department and which is without the continental limits of the United States and without the following Territories: That part of Alaska east of longitude one hundred and seventy-two degrees west, the Canal Zone, the main group of the Hawaiian Islands, Puerto Rico, *Guam*, and the Virgin Islands.

(Sec. 25) Public Law 597, 84th Congress, 2d session (70 Stat. 293)

* * * * * * *

ALLOTMENTS TO STATES

SEC. 4. (a) From the sums appropriated pursuant to section 3 for each fiscal year, the Commissioner shall allot $10,000 *each to Guam and* to the Virgin Islands and $40,000 to each of the other States, and shall allot to each State such part of the remainder of such sums as the rural population of the State bears to the rural population of the United States, according to the most recent decennial census.

(b) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 6 until the end of the succeeding fiscal year. No payment to a State under section 6 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

* * * * * * *

PAYMENTS TO STATES

SEC. 6. (a) From the allotments available therefor under section 4, the Secretary of the Treasury shall from time to time pay to each State which has a plan approved under section 5 an amount computed as provided in subsection (b) of this section, equal to the Federal share of the total sums expended by the State and its political subdivisions under such plan during the period for which such payment was made, except that no payments shall be made to any State from its allotment for any fiscal year unless and until the Commission finds that (1) there will be available for expenditure under the plan from State or local sources during the fiscal year for which the allotment is made (A) sums sufficient to enable the State to receive under this section payments in an amount not less than $10,000 in the case of the Virgin Islands *and of Guam* and $40,000 in the case of any other State, and (B) not less than the total amount actually expended, in the areas covered by the plan for such year, for public library services

from such sources in the fiscal year ending June 30, 1956, and (2) there will be available for expenditure for public library services from State sources during the fiscal year for which the allotment is made not less than the total amount actually expended for public library services from such sources in the fiscal year ending June 30, 1956.

(b) The Commissioner shall from time to time, but not less often than semiannually, and prior to the period for which a payment is to be made, estimate the amount, within the balance of the allotments for each State, which may be necessary to pay the Federal share of the total expenditures for carrying out the approved State plan for such period. The Commissioner shall certify to the Secretary of the Treasury the amount so determined, reduced or increased as the case may be by the amount by which he finds that his estimate for any prior period was greater or less than the amount which should have been paid to the State for such period. The Secretary of the Treasury shall thereupon, prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Commissioner, the amount so certified.

(c) For the purposes of this section the "Federal share" for any State shall be 100 per centum less the State percentage and the State percentage shall be that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the continental United States (excluding Alaska), except that (1) the Federal share shall in no case be more than 66 per centum or less than 33 per centum, and (2) the Federal share for Hawaii shall be 50 per centum and for Alaska, Puerto Rico, *Guam*, and the Virgin Islands shall be 66 per centum.

* * * * * * *

DEFINITIONS

SEC. 9. For the purposes of this Act—

(a) The term "State" means a State, Alaska, Hawaii, Puerto Rico, *Guam*, or the Virgin Islands;

(b) The term "State library administrative agency" means the official State agency charged by State law with the extension and development of public library services throughout the State;

(c) The term "public library" means a library that serves free all residents of a community, district, or region, and receives its financial support in whole or in part from public funds;

(d) The term "Secretary" means the Secretary of Health, Education, and Welfare; and

(e) The term "rural area" does not include an incorporated or unincorporated town having a population of more than ten thousand persons.

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Calendar No. 2708

84TH CONGRESS, 2d Session — SENATE — REPORT No. 2663

CONCERNING GIFTS OF SECURITIES TO MINORS IN THE DISTRICT OF COLUMBIA

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. MORSE, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 11090]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 11090) concerning gifts of securities to minors in the District of Columbia, after full consideration, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 7, starting with the words "In the" on line 14, strike all of lines 15, 16, 17, and 18, inclusive.

Page 8, strike lines 8 through 14, inclusive, and renumber section 9 on line 15 as section 8.

Page 8, strike lines 18 through 25, inclusive, and insert in lieu thereof the following:

> SEC. 9. The next friend or legal representative of a minor, in whose behalf securities are held by a custodian under this Act, or the minor in his own right, no later than one year after reaching twenty-one years of age, shall be entitled to maintain an action in the United States District Court for the District of Columbia against such custodian, or his estate for an accounting and delivery of the securities and unexpended income, in the event of the death, inability or neglect to act of such custodian.

Page 9, strike lines 1 through 3, inclusive, and renumber section 12 as section 10 on line 4.

Page 10, line 11, renumber section 13 as section 11.

The purpose of this legislation is to facilitate gifts of stock and other securities to minor children within the District of Columbia. The bill applies only to gifts of securities to a minor child. It does not affect in any way the legal safeguards which have always protected

a child's property received by inheritance or in any other manner; it merely provides a simple way for a parent or other adult to make a gift of stock to a child and reserve a power to manage the securities given until the child reaches 21.

In the District of Columbia, common stock or other securities can now be legally given to a minor child in one or two principal ways. An outright gift of securities can be made to a child and the securities registered in his name. This method can, however, create considerable problems because a subsequent sale of the stock for the child would require appointment by a court of a legal guardian for the child. Guardianship can be extremely cumbersome, restrictive, and expensive when small gifts of stock to a child are concerned. As a result, this method of giving stock to children has not been practical for small gifts.

The second method of giving securities to children now available to parents is the creation of a trust. Here again the expense and inconvenience of a trust have deterred parents who desired to make modest gifts of stock to their children.

The treatment of stock gifts to children has contrasted sharply with the freedom and flexibility offered to parents who desire to make gifts to their children of either United States Government bonds or savings accounts. In these two areas little or no expense or redtape inhibits the parent from making gifts. In both cases, it has been made extremely simple for the parent or giver to act on the child's behalf in dealing with the bond or savings account which has been given to the child.

This bill would enable parents in the District of Columbia to make gifts of securities, no matter how small, to their children with the same ease that they can now give a Government bond or savings account. Such a simple method of making small gifts of stock to children is desirable because ownership of common stock can help to educate our younger generation to the workings of our free-enterprise system.

SUMMARY OF BILL

Section 1 of the bill permits an adult to make an outright gift of stock to a child by the simple act of having the securities registered in the name of an adult as "custodian" for the child—the custodian being a close relative of the child or the giver himself. The actual registration required would be "———, as custodian, for ———, a minor, under the laws of the District of Columbia." Relatives of the child who are permitted to be custodians are parents, grandparents, adult brothers and sisters, uncles and aunts. In the case of bearer securities, a simple "Deed of gift" must be filled out and the securities must be delivered to the custodian. For bearer securities the giver cannot serve as custodian.

Section 2 provides that the gift to the child is complete and irrevocable. The child actually owns the securities, but the custodian has the right to manage the investment of this property until the child is 21.

Under section 3 the custodian can collect the income from the securities for the child. He can spend any part of the income or principal for the benefit of the child. Any property remaining when the child reaches 21 must be turned over to the child. The custodian may retain any securities originally delivered to him. He may sell any securities he holds at any time, but any reinvestment must be in such

securities as would be purchased by a "prudent man of discretion and intelligence" seeking a reasonable income and capital preservation. Aside from investing in securities the custodian may hold the child's property in a savings account. No transfer agent, broker, or other third party dealing with the adult custodian is under a duty to question what the custodian does with the child's property. The custodian must keep the child's property separate, in such a way as to clearly identify it as the child's.

Under section 4 the giver or a member of the child's family who is acting as custodian may be reimbursed for expenses but otherwise shall receive no compensation.

Under section 5 an uncompensated custodian is liable to the child only for losses occurring through bad faith, intentional wrongdoings or failure to invest in accordance with the provisions as to investment under section 3, above.

Section 6 provides that a custodian may resign by selecting an adult relative of the child as custodian and delivering to him the property held as custodian. Your committee has deleted the last sentence of section 6 as it passed the House. This sentence provided for the appointment of a successor custodian by the United States District Court for the District of Columbia, and it is the conclusion of your committee that if the custodian cannot avail himself of the method provided for selecting a successor custodian provided in the first sentence of section 6, then the matter should fall within the existing guardianship laws. It is believed that this amendment places an additional safeguard around the minor.

Under section 7, if a custodian dies or becomes incompetent before the child is 21, and if the child has a guardian, the guardian would become the new custodian. If there is no guardian, a member of the child's family designated by the will or by the legal representative of the last acting custodian would become custodian.

In view of your committee's action under section 6, section 8 of the House bill would not be necessary, and has therefore been stricken.

Section 8 grants to a successor custodian all the rights, powers, and duties of a custodian.

Section 10 of the House bill has been stricken, and a new section 9 has been inserted which provides that the next friend or legal representative of the minor may at any time during the child's minority, or the minor himself, no later than 1 year after reaching his majority, maintain an action in the United States District Court for the District of Columbia against the custodian for an accounting and delivery of the securities and unexpended income in the event of the death, inability, or neglect to act of such custodian.

Section 10 contains appropriate definitions of terms used in the bill.

Section 11 of the House bill is stricken in view of the fact that the jurisdiction is placed in the United States District Court for the District of Columbia in section 9 of the bill as amended.

Section 11 states that—

> This Act shall not be construed as providing an exclusive method for making gifts of securities to minors.

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Calendar No. 2709

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2664

RELATIVE TO EMPLOYMENT FOR CERTAIN ADULT INDIANS ON OR NEAR INDIAN RESERVATIONS

JULY 19 (legislative day JULY 16), 1956.—Ordered to be printed

Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 3416]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 3416) relative to employment for certain adult Indians on or near Indian reservations, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

On page 2, line 7, strike the word "within" and insert in lieu thereof the word "with".

On page 2, line 8, strike the words "agency, corporation, association, or person." and insert in lieu thereof the following:

> agency, or with any private school which has a recognized reputation in the field of vocational education and has successfully obtained employment for its graduates in their respective fields of training, or with any corporation or association which has an existing apprenticeship or on-the-job training program which is recognized by industry and labor as leading to skilled employment.

EXPLANATION OF THE BILL

The purpose of S. 3416 is to authorize the Secretary of the Interior to undertake by contracts or agreements with any Federal, State, or local governmental agency, vocational training school, corporation or association, a program of vocational training for Indians to help them obtain employment.

This program, primarily intended for Indians between the ages of 18 and 35, living on or near reservations, would include institutional training in a trade or vocation, apprenticeship, and on-the-job training,

for periods not exceeding 24 months, and may include transportation and subsistence during the course of training, as well as vocational counseling and guidance.

The bill as amended provides that the vocational training schools with whom the Secretary may contract shall be institutions of recognized reputation in the field of vocational education and who shall have an established record of successfully placing their students in suitable employment upon graduation. No contracts will be entered into with schools that do not have a record of accomplishment.

In the case of apprenticeship or on-the-job training, contracts will be negotiated only with those corporations or associations who have existing training programs which prepare the trainees for skilled employment. It is the purpose of this act not only to train Indians but to give reasonable assurance that they will be employed at the end of the training period.

S. 3416 authorizes an appropriation of $3,500,000 per year to carry out the purpose of the act, not to exceed $500,000 of which is available for administrative purposes. It is believed that approximately 1,500 Indians per year may be provided training under this legislation. Of the approximately 300,000 Indians living on or near the reservations, possibly one-fifth are potential trainees under this proposed program.

NEED FOR THIS LEGISLATION

The American Indian's standard of living today is below that of the general population. S. 3416 is an attempt to do something constructive about this problem. With the Indian's average income below that of his non-Indian neighbors, there is a consequent drop in living standards. One of the major problems faced by Indians is that reservation resources are inadequate to support the increasing population at a reasonable standard of living. Additional land might solve this problem for a short while, but it would not be the permanent solution, for with the increasing birth rate, the present situation would develop again in the future. Because of the lower standard of living on the reservation, the Indian is turning more and more to wage work off the reservation. Being unskilled in any trade, the Indian usually works as a laborer at lower wages. Low wages, in turn, create problems of poor health, housing, clothing, food, and sanitation. Some of the effects of this endless circle are brought out in the report of the Senate Subcommittee To Investigate Juvenile Delinquency, as follows:

> The subcommittee finds that the major contributing factors to delinquency among Indian children are poverty and poor living conditions; lack of effective law and order; disorganized, weak, and broken family life; poor educational programs, and the difficulties in making the transition from an old to a new culture.[1]

Laborers are fast disappearing from the labor scene, while semiskilled and skilled workers are in demand. The Indian represents a valuable source from which to fill that need. This increasing demand for skilled workers has been recognized by Federal and State Govern-

[1] U. S. 84th Cong., 2d sess. S. Rept. No. 1483, Juvenile Delinquency Among the Indians: Report of the Committee on the Judiciary, Subcommittee To Investigate Juvenile Delinquency. February 16, 1956. Washington: U. S. Government Printing Office, p. 4.

ments with appropriations for vocational training, rising from $3,039,061.15 in 1918 to $164,761,217.75 in 1955.[2] S. 3416 would extend this training to Indians who cannot take advantage of vocational programs because of the remote location of most reservations. The Senate Subcommittee To Investigate Juvenile Delinquency specifically recommended in their report on Indians that—

> Additional special courses in vocational and technical training should be provided in both public and Indian schools for adults as well as for youths residing on Indian reservations. This program should include part-time continuation school programs for those unable to attend full-time classes.[3]

For many years people have been prone to consider the Indian as an agriculturist, but actually there has been a changing pattern in effect brought about by the inadequate resources on the reservations to support the population, and the desire of many Indians to follow some other kind of work. A study of the work experience of 301 Indians from 1946 through June 30, 1952, indicates that 220 were engaged in agricultural occupations and 23 in construction work in 1946.[4] The year 1952 found 34 in agricultural occupation and 128 engaged in construction work of some kind.

The training program contemplated by this bill will have two purposes. First, it should be of great value in preparing and orienting participants in the Indian relocation program, and, secondly, it should stimulate industries to locate near Indian reservations. Although the relocation program is of recent creation, it appears obvious that since the marginal reservations cannot support their growing populations, it is imperative that some of the tribal members be equipped with vocational skills which will encourage them to seek employment elsewhere. Certain industries, such as the jewel-bearing plant near the Turtle Mountain Reservation in North Dakota, can be attracted to Indian communities, but the bulk of employment will inevitably be obtained in the larger population centers.

The program envisioned in S. 3416 would be of direct benefit, not only to the individual Indian, but to the Nation. The Indian trained under this program would command a higher salary and be able to adequately support his family at a decent standard of living. In turn, individual Indians would cost the Federal Government less in special services and begin paying higher income tax, thereby beginning a circle. As the individuals began supporting themselves, and paying taxes, the Federal Government would be training others. Another point to be considered is that for every individual Indian trained and earning a good living, the Government will not have to support his children, whereas if he remains on the reservation as at present, the Government would be required to give him, and later his children, special services.

In recommending this legislation, the committee wishes to make the following points:

1. Reservation resources are generally inadequate to support the present population in residence. This program would channel the

[2] U. S. Department of Health, Education, and Welfare, Office of Education. Digest of Annual Reports of State Boards for Vocational Education, fiscal year ended June 30, 1955, pp. 5, 9.
[3] Juvenile Delinquency Among Indians. S. Rept. No. 1483, 84th Cong., 2d sess. (1956), p. 47.
[4] Ibid., p. 60.

excess manpower into skilled trades, which would enable the individual and his family to attain a higher standard of living.

2. Indian reservations are usually so remote that the individual does not have the opportunity of obtaining vocational instruction at present subsidized by the Federal and State Governments. S. 3416 would merely extend this service now being offered to non-Indians.

3. An Indian trained as a skilled worker will earn more money, pay more taxes, need fewer special services from the Federal Government, thereby creating a saving to the Government in services, and his income tax might be considered as an offset to the expenditures for training other Indians.

4. This program will supply skilled workers now needed by our industry and thereby utilize one of our most dormant manpower resources.

5. This type of program has been recommended in the past and at present by congressional committees, Office of the President, Bureau of the Budget, Interior Department, and Indian organizations; it seems to have the backing of all interested parties.

6. S. 3416, in assisting Indians to attain a higher standard of living, would help solve the problem of juvenile delinquency on reservations, one of the major contributing factors to delinquency among Indian children being "poverty and poor living conditions."

The favorable reports of the Department of the Interior and the Bureau of the Budget on S. 3416 are set forth below:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 18, 1954.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR SENATOR MURRAY: Your committee has requested a report on S. 3416, a bill relative to employment for certain adult Indians on or near Indian reservations.

We recommend that the bill be enacted.

The bill authorizes the Secretary of the Interior to undertake a program of vocational training that will help adult Indians who live on or near reservations to obtain employment. The program includes institutional training in a trade or vocation, apprenticeship, and on-the-job training, for periods that do not exceed 24 months, as well as vocational counseling and guidance. The program may include transportation and subsistence during the course of training. It is intended primarily for Indians between the ages of 18 and 35, and it may be undertaken by contract with State or local agencies or persons. An appropriation of $3,500,000 per year is authorized, of which not more than $500,000 may be used for administrative expenses.

Vocational training opportunities for persons who live in rural areas are limited, and they are particularly limited for Indians because of the isolation of the Indian reservations. A vocational training program for this group will be of great value in connection with the Department's relocation program because it will enable an increasing number of Indians to take advantage of employment opportunities that will provide them with more than a bare subsistence living. The reservations cannot hope to support the entire population that is now living on them, and it is imperative that some of the group be equipped

to earn their living in other communities. The training program will be a worthwhile investment because by making it possible for a larger number of Indians to become self-supporting the need for special Federal services will be lessened.

The program should also provide a stimulus for industries to locate near Indian reservations. The availability of skilled workers from Indian reservations at a time when the Nation is faced with a growing shortage of skilled workers will provide an incentive to locate industrial enterprises near the reservations, to the mutual advantage of the industry and the Indians.

The $3 million annual appropriation authorized for training will provide training for approximately 1,500 Indians per year. This will not meet the full need of even a limited group such as the Sioux Indians. Of the approximately 300,000 Indians who live on or near reservations in the United States about 40,000 are Sioux Indians, most of whom live in North and South Dakota. About 22.9 percent of the Sioux Indians on reservations in the Dakotas are in the age group 18 to 35. By applying this percentage to the 40,000 total, we arrive at a figure of 9,160 potential Sioux trainees. At the rate of 1,500 trainees per year it will take approximately 6 years to train the present number of potential trainees among the Sioux Indians without providing for persons who will attain the age of 18 during that period. For the country as a whole, the number of potential trainees is, of course, considerably greater. Although the vocational training program proposed is limited in scope, it is nonetheless a constructive step forward.

Persons in the 18 to 35 age group will provide the most suitable trainees for the program. There will be a considerable number of persons over 35 years of age, however, who will be interested in training and because of the limited number that may be helped it will be necessary through vocational counseling and guidance to select those persons who will profit most from the program.

Although the bill authorizes apprenticeship training, the period of training under the program is limited to 24 months. The first 2 years are financially the most difficult for an apprentice, and at the end of that period the trainee should have reached a level of earning that will provide him with reasonable income to permit him to continue without assistance.

The bill authorizes the Secretary to enter into contracts or agreements with any local governmental or private organization, and the Department expects to utilize them rather than to conduct vocational training schools itself. Moreover, the Bureau of Indian Affairs does not have an established and trained staff to provide vocational counseling or guidance, and the Bureau will also contract for such services to the extent possible. As provision is made for transportation to a place of training, the Bureau will utilize training facilities located in areas where employment is readily available to assure the placement of the trainees upon completion of their programs.

During the past year the Bureau has conducted an adult vocational training program for those Indian groups for which Federal responsibilities are in the process of being terminated. On the basis of that experience we believe that the extension of the program to all Indian groups as contemplated by the bill would be worthwhile.

The Bureau of the Budget has advised us that there is no objection to the submission of this report.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 17, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Bureau concerning S. 3416, relative to employment for certain adult Indians on or near Indian reservations.

The bill is designed to provide specific authority for a general apprentice and vocational training program for Indians rather than the limited program undertaken during the past year for those Indians included in groups scheduled for early termination of Federal supervision, as authorized by special acts of Congress.

From studies made by the Bureau of Indian Affairs it is evident that generally the land base on reservations is insufficient to support existing populations. In consequence, if the economic status of the Indians is to be substantially improved, capable Indians must of necessity be relocated in areas where jobs are available and where an individual, and his family, may be assured of a decent living. The relocation program has demonstrated its value, even though it has been in existence for only a few years. Special training along vocational lines, including apprentice training where practicable, will contribute more to the permanent relocation away from the overcrowded reservations.

The bill authorizes the Secretary of the Interior to enter into agreements with other Federal agencies and State or other organizations or individuals in the execution of the program. It is anticipated that in event of enactment the Department will exercise this authority whenever and wherever feasible.

Section 2 of the bill places an annual limitation of $3.5 million on appropriations, with not to exceed $500,000 thereof earmarked for administrative expenses. The actual extent of financial requirements is difficult of prediction. Such requirements may fluctuate from year to year, and there is a possibility that on occasion, particularly when considered in connection with the withdrawal bills heretofore enacted, the annual need may exceed the proposed limitation. It would seem more appropriate to have a general authorization for appropriations, with the amount for any given year to be determined through normal budgetary processes.

Subject to consideration of the foregoing comments, this Bureau would have no objection to enactment of the bill.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant to the Director.

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Calendar No. 2711

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2666

AMENDING THE FEDERAL CIVIL DEFENSE ACT OF 1950, AS AMENDED, TO AUTHORIZE TRAVEL EXPENSES AND PER DIEM ALLOWANCES TO TRAINEES AT THE NATIONAL CIVIL DEFENSE STAFF COLLEGE

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. KEFAUVER, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 10432]

The Committee on Armed Services, to whom was referred the bill (H. R. 10432) to amend further the Federal Civil Defense Act of 1950, as amended, to authorize the Administrator to pay travel expenses and per diem allowances trainees in attendance at the National Civil Defense Staff College, and for other purposes, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

COMMITTEE AMENDMENT

The bill is amended by adding at the end thereof the following new section:

SEC. 2. There is hereby authorized to be appropriated not to exceed the sum of $100,000 annually for the purpose of carrying out the provisions of this Act.

PURPOSE OF COMMITTEE AMENDMENT

Since this legislation involves a new program, the committee amended the bill in order to place a $100,000 ceiling on the annual appropriation for travel and per diem expenses for civil-defense students attending the training courses. This amount is more than sufficient for the needs of the immediate future since expenditures during fiscal year 1957 are expected to be about $80,000.

PURPOSE OF THE BILL

The purpose of this legislation is to authorize the Federal Civil Defense Administrator to pay travel expenses and per diem allowances

in lieu of subsistence to students in attendance at courses conducted by the Federal Civil Defense Staff College at Battle Creek, Mich. and a rescue training course at Olney, Md.

EXPLANATION OF THE BILL

Under the Federal Civil Defense Act of 1950, as amended, the Administrator is authorized by subsection 201 (e)—

> to conduct * * * training programs for the instruction of civil defense officials and other persons in the organization, operation, and techniques of civil defense; conduct or operate schools or classes, and to establish one National Civil Defense College.

The above subsection further provides that quarters and subsistence may be furnished trainees on a reimbursable basis. No authority is provided for travel expenses or for per diem allowances in lieu of subsistence and quarters. The bill would authorize the Federal Civil Defense Administrator to pay travel expenses and per diem allowances in accordance with the Travel Expenses Act of 1949, as amended, and Standard Government Travel Regulations.

EXPECTED USE OF AUTHORITY OF THE BILL

The authority for travel expenses and per diem allowances would be used during fiscal year 1957 to pay such expenses for 50 students who would attend the 3-month course at the Federal Civil Defense Staff College at Battle Creek, Mich. Students for these courses would be carefully selected from among State and local civil-defense directors and their subordinates, industrial civil-defense coordinators, leading educational officials, and representatives from various national organizations.

In addition, during fiscal year 1957 about 365 students would be selected to attend the 2-week rescue training course conducted at Olney, Md.

NEED FOR LEGISLATION

State and local civil-defense organizations are not financially able to defray the expenses of students attending the above courses. Moreover, industrial and business concerns often are willing to send their employees to the classes at no loss of pay to the employees but cannot or will not pay the necessary travel and subsistence expenses. Attendance at these classes, therefore, is limited largely to those who are able to financially meet these expenses.

The authority for this legislation will enable the Federal Civil Defense Administrator to select the most qualified persons available for attendance at the various courses and to make travel and subsistence payments. It should be emphasized that these payments would be on terms and conditions prescribed by the Administrator and would conform to the Travel Expense Act of 1949, as amended, and the Standard Government Travel Regulations.

COST OF THE LEGISLATION

The estimated cost of this legislation for fiscal year 1957 would be approximately $80,000. There would be no increase in the budgetary

requirements for the Federal Civil Defense Administration for fiscal year 1957 since the funds would be taken from operating funds already appropriated for this fiscal year.

It is estimated that the cost of per diem and travel for the 50 students who would receive the 90-day course at the National Civil Defense Staff College at Battle Creek, Mich., would be $43,000. For the 365 students who would attend the rescue training course at Olney, Md., in fiscal year 1957, about $36,000 would be expended for travel expenses only. No per diem in lieu of subsistence is expected to be paid while attending this course.

DEPARTMENTAL RECOMMENDATIONS

The Federal Civil Defense Administration recommends the enactment of this bill and the Bureau of the Budget interposes no objection. The letter from the Federal Civil Defense Administrator urging the enactment of this legislation is printed below and hereby made a part of this report.

FEDERAL CIVIL DEFENSE ADMINISTRATION,
NATIONAL HEADQUARTERS,
OFFICE OF THE ADMINISTRATOR,
Battle Creek, Mich., April 2, 1956.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: There is transmitted herewith a draft of a bill to further amend the Federal Civil Defense Act of 1950 (64 Stat. 1245), as amended, to authorize the Federal Civil Defense Administrator to pay travel expenses and per diem allowances in lieu of subsistence to students in attendance at the Civil Defense Staff College, with the request that it be introduced in order that it may be considered for enactment.

The purpose of the bill is to expressly authorize the Federal Civil Defense Administrator to pay travel expenses and per diem allowances in lieu of subsistence to students in attendance at the courses conducted at the Federal Civil Defense Staff College at Battle Creek, Mich., and the rescue training courses at Olney, Md.

Under the Federal Civil Defense Act of 1950, as amended, (5 U. S. C. app. 2251 et seq.) the Administrator is authorized by subsection 201 (e) "to conduct * * * training programs for the instruction of civil defense officials and other persons in the organization, operation, and techniques of civil defense; conduct or operate schools or classes and to establish one National Civil Defense College." Pursuant to this authority, a staff college in theory and techniques of civil defense is situated in Battle Creek, Mich., and a technical rescue training course for instructors and one for advanced rescue techniques are conducted at Olney, Md.

Students comprising the classes in these courses are drawn from the staffs of State and local civil-defense organizations, from industrial and business sources, and from patriotic volunteers who are a part of local civil-defense organizations. The necessary training of volunteer, uncompensated students is often retarded or eliminated by the lack of financial ability on the part of the volunteers to undertake or complete these courses. The minimum period of the regularly

scheduled courses is usually 1 week, and a combination of the courses often results in a period of attendance of 3 weeks. In the case of State or local civil defense paid staff, budgetary limitations frequently prohibit the necessary civil defense training, whereas if their travel and subsistence expenses could be defrayed, the States or the local governments are most anxious to have them take the training. Industrial and business concerns are often willing to send their employees to classes at no loss of pay to the employee, but cannot or will not pay the necessary travel and subsistence expenses for attendance at the school.

The location of the National Staff College at the site of the National Headquarters in Battle Creek, Mich., while a comparatively centralized location for the large industrial belt of the Midwest, causes an inequitable burden to be imposed upon State and local organizations desiring students to complete civil-defense training from States in the western, southern, and eastern portions of the country from the standpoint of travel expense. The bill, if enacted, would assure a greater uniformity in the training, organization, and concepts of civil defense throughout the Nation at the State and local levels.

Under the proposed program, payment to students for travel and subsistence would be on terms and conditions prescribed by the Administrator, with no payment for travel or per diem in lieu of subsistence to exceed the standards prescribed by the Standard Government Travel Regulations.

Enactment of the bill would result in no increase in the budgetary requirement of the Federal Civil Defense Administration for fiscal year 1957. It is estimated that approximately $80,000 would be expended in fiscal year 1957 for the program, which would be absorbed in the 1957 appropriation. A slight increase in the budgetary requirements is anticipated for succeeding years in the conduct of the program. No increase in the personnel requirements of the Federal Civil Defense Administration is expected to result for the administration of the proposal if the bill is enacted.

It is respectfully requested that the proposed legislation be introduced and considered for enactment at the earliest possible date.

Sincerely,

VAL PETERSON.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, there is herewith printed in parallel columns the text of provisions of existing law which would be repealed or amended by the various provisions of the bill.

EXISTING LAW

FEDERAL CIVIL DEFENSE ACT OF 1950

(64 Stat. 1245)

SEC. 201 (e) conduct or arrange, by contract or otherwise, for training programs for the instruction of civil defense officials and other persons in the organization, operation and techniques of civil defense; conduct or operate schools or classes, including the furnishing of subsistence and quarters for trainees and instructors subject to reimbursement on terms prescribed by the Administrator; and provide instructors and training aids as deemed necessary: *Provided*, That not more than one national civil defense college and three civil defense technical training schools shall be established under the authority of this subsection: * * *.

THE BILL

That subsection 201 (e) of the Federal Civil Defense Act of 1950 (64 Stat. 1245), as amended, is amended by striking out the words "including the furnishing of subsistence and quarters for trainees and instructors subject to reimbursement on terms prescribed by the Administrator", and substituting the following therefor: "including the payment of travel expenses, in accordance with the Travel Expenses Act of 1949, as amended, and the Standardized Government Travel Regulations, and per diem allowances, in lieu of subsistence for trainees in attendance or the furnishing of subsistence and quarters for trainees and instructors on terms prescribed by the Administrator".

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Calendar No. 2712

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2667

AUTHORIZING THE LOAN OF NAVAL VESSELS TO FOREIGN GOVERNMENTS

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. RUSSELL, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 11613]

The Committee on Armed Services, to whom was referred the bill (H. R. 11613) to authorize the loan of naval vessels to the Governments of the Federal Republic of Germany, Greece, Portugal, Spain, and friendly far eastern nations, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That the Act of August 5, 1953, (67 Stat. 363), is amended by striking out the words "December 31, 1956" in section 4 (c) and inserting the words "June 30, 1957" in lieu thereof.

Amend the title so as to read:

An Act to extend the time limit within which naval vessels may be loaned to friendly far eastern nations.

EXPLANATION OF THE AMENDMENTS

The committee amendments are intended to restrict the authority of this bill to merely a 6-month extension of existing authority for the transfer of not more than 25 vessels to friendly far eastern nations.

PURPOSE OF THE BILL

This bill proposes to extend from December 31, 1956, until June 30, 1957, the time period within which the President is authorized to lend not to exceed 25 vessles not larger than the destroyer type to friendly far eastern nations.

EXPLANATION

In the form received by the committee, this bill represented a consolidation of four proposals by the Department of Defense for legislative authority to lend vessels to friendly foreign nations. It would have authorized the loan of 2 destroyers and 2 destroyer escorts to the Government of the Federal Republic of Germany, 2 submarines to the Government of Greece, 2 destroyer escorts to the Government of Portugal, and 2 destroyers to the Government of Spain. It also would have increased the number of vessels that could be loaned to friendly far eastern nations from 25 to 50 and would have extended the termination date of existing authority for lending 25 vessels to friendly far eastern nations from December 31, 1956, until December 31, 1958.

The ships proposed for loan were not excess to the mobilization requirements of the United States. In view of this fact and the short period of time remaining in this Congress, the committee decided to defer action on the requests for an increase in the number of vessels that may be loaned until the next Congress, when a careful examination can be made of mobilization requirements of the United States as they would be affected by the loan of these vessels.

The act of August 5, 1953, authorized, among other things, the President to lend to any friendly foreign nation in the far eastern area not more than 25 naval vessels not larger than the destroyer type. This authority would terminate on December 31, 1956. Since the number of United States ships transferred under this authority to date is 18, the committee amended the basic authority by providing an additional 6 months during which the existing authority to transfer 7 more ships to friendly far eastern nations may be utilized. Such extension will afford an opportunity in the 85th Congress for a more careful examination of the effects that an increase in the number of ships authorized to be loaned would have on the defense potential of the United States.

The committee action should not be construed as a disapproval of the purpose to loan excess vessels to allies; instead it reflects the committee's opinion that the loan of vessels that are not surplus to our mobilization needs deserves more thorough scrutiny than that possible during the time remaining in this Congress.

AGREEMENTS WITH FOREIGN GOVERNMENTS

Ships loaned under the authority of the act of August 5, 1953, are the subject of formal agreements concluded by the State Department with the recipient foreign government. These agreements stipulate that the ships will be used in accordance with the conditions of the Mutual Defense Agreement; that the recipient governments have use of all equipment and spare parts on board at the time of delivery; that title remains in the United States and that possession of the ships will not be relinquished without consent of the United States, although the ships may be placed under the recipient government's flag; that no claims arising as a result of transfer and operations of ships can be assessed against the United States; and that at the expiration of the loan the ships will be returned in the same condition as when loaned except for normal wear and tear. If the ships are damaged or lost through enemy action, the country to whom the ship is on loan is exempted from liability for such damage or loss.

COUNTRIES TO WHOM LOANED

Many of the ships transferred under this authority went to the Government of the Republic of China to assist that nation in its stand against Communist forces. Other ships were absorbed in the Korean Navy as part of the United States agreement to continue support to this nation in its effort to resist communism and Communist threats of invasion. Japan's reestablished Navy has received some of these ships. In each of these cases, friendly naval forces were made capable of performing some of the tasks which previously had been the responsibility of the United States Navy forces, thereby freeing these United States forces for other duty.

COST

It is almost impossible to estimate accurately the cost involved in extending the loan authority for 6 months. Although transfers of ships under this authority involves cost to the United States to prepare the ships for transfer, this cost is included within the applicable annual Mutual Defense Assistance Program. The cost of preparing the ships for transfer depends upon the type of ship being transferred.

DEPARTMENTAL RECOMMENDATION

Printed below and made a part of this report is a letter dated April 18, 1956, from the Secretary of the Navy requesting legislative authority to increase from 25 to 50 the number of naval vessels that may be made available to friendly far eastern nations and to extend the time limit on this authorization from December 31, 1956, to December 31, 1958. As explained above, the committee only partially approved this request.

APRIL 18, 1956.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: There is enclosed a draft of proposed legislation to amend section 4 of the act of August 5, 1953 (67 Stat. 363).

This proposal is a part of the Department of Defense legislative program for 1956 and the Bureau of the Budget has advised that there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to modify the authority of the act of August 5, 1953 (67 Stat. 363), to make naval vessels available to friendly far eastern nations by increasing the number from 25 to 50, and to extend the time limit on this authorization from December 31, 1956, to December 31, 1958.

Statements of national policy have been enunciated to the effect that certain far eastern nations would be supported by the United States in the event of acts of aggression by the Chinese Communists. It is the opinion of this Department that the legislation herein sought

is an integral part of such a policy. The support of these nations will be rendered more effective if the United States, through a careful use of this authority, can enhance the ability of these nations to make a response to these aggressive acts of an emergency basis.

Further justification of this proposal is of a classified nature and if requested the Department of the Navy is prepared to make a presentation of these additional reasons in executive session.

Sincerely yours,

CHARLES S. THOMAS,
Secretary of the Navy.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, there is herewith printed in parallel columns the text of provisions of existing law which would be repealed or amended by the various provisions of the bill:

EXISTING LAW	THE BILL
The Act of August 5, 1953 (ch. 321, 67 Stat. 363)	That the Act of August 5, 1953 (67 Stat. 363) is amended by striking out the words "December 31, 1956" in section 4 (c) and inserting the words "June 30, 1957" in lieu thereof.
SEC. 4. (a) Notwithstanding section 4 of the Act of March 10, 1951, or any other provision of law, the President is authorized to lend or otherwise make available to any friendly foreign nation in the Far Eastern area, with or without reimbursement and on such terms and under such conditions as the President may deem appropriate, such naval vessels not larger than the destroyer type and not to exceed twenty-five in number, and such assorted minor miscellaneous craft, naval services, training, technical advice, facilities and equipment, as he may deem proper. No vessels shall be made available under this section unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff determines such transfer to be in the best interests of the United States. The President may, from time to time, promulgate such rules and regulations as he may deem necessary to carry out any of the provisions of this section. (c) The authority of the President under this section shall terminate on December 31, 1956.	

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Calendar No. 2714

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2669

AUTHORIZING THE APPOINTMENT OF NURSES OR WOMEN MEDICAL SPECIALISTS AS MEMBERS OF THE ARMY OR AIR NATIONAL GUARD OF THE UNITED STATES

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mrs. SMITH of Maine, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 7290]

The Committee on Armed Services, to whom was referred the bill (H. R. 7290) to authorize female Reserve officers of the Army or Air Force appointed as nurses or women medical specialists to be members of the Army National Guard of the United States or Air National Guard of the United States, as appropriate, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

This bill proposes to authorize the appointment of female Reserve officers of the Army or the Air Force as nurses or women medical specialists in the National Guard of the United States or the Air National Guard of the United States.

EXPLANATION

The National Guard has 13 hospital units that are federally recognized and which have tables of organization providing for 558 nurses and 4 women medical specialists. The Air National Guard has 18 infirmaries and 19 tactical hospitals, with a table of organization allowance of 168. Thus there are table of organization positions totaling 726 nurses and 4 women medical specialists. This bill is intended to authorize the appointment of nurses or women medical specialists who are Reserve officers to fill the table of organization positions in National Guard and Air National Guard units.

This authority should provide a means of enhancing the mobilization potential of these medical units. Not only will the nurses be receiving training themselves within the units but they would assist

with the training of the unit enlisted personnel. If the unit were ordered to active duty, the number of nurses that otherwise would have to be assigned to these units by the Departments of the Army and the Air Force would be reduced by the number of nurses and medical specialists who already were members of the units.

Hospital units of the Army Reserve now have female nurses and women medical specialists assigned to them. This bill would provide similar authority to the National Guard and the Air National Guard.

COST

The cost to the Government that will result from enactment of this measure is difficult to estimate precisely. The nurses and medical specialists who are appointed would be eligible for pay for 48 drills annually, plus pay and allowances for not more than 15 days of active duty for training each year. The amount to which each officer may become entitled would depend on the grade in which she was appointed.

A fair estimate of the cost for each female officer appointed is in the order of $750 per year. While there are 730 vacancies, it is estimated that not more than 100 female officers can be recruited to fill these positions during the next fiscal year. On this basis, the cost for fiscal year 1957 would be approximately $75,000.

DEPARTMENTAL RECOMMENDATION

The Department of Defense favors the purpose of this bill, as is indicated by the letter from the Secretary of the Army dated March 26, 1956, that is printed below and made a part of this report. The revision suggested in this letter was adopted in the other body.

DEPARTMENT OF DEFENSE,
March 26, 1956.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 7290, 84th Congress, a bill to authorize female Reserve officers of the Army or Air Force appointed as nurses or women medical specialists to be members of the Army National Guard of the United States or Air National Guard of the United States, as appropriate. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The Department of the Army on behalf of the Department of Defense favors the general purpose of the above-mentioned bill but is of the opinion that H. R. 7290, 84th Congress, if enacted, would not be legally sufficient to authorize the appointment of female nurses and women medical specialists as commissioned officers of the National Guard of the United States and Air National Guard of the United States. Present law, section 222 (a), Armed Forces Reserve Act of 1952 (66 Stat. 487; 50 U. S. C. 946 (a)), provides that appointment as

a commissioned officer of the National Guard or Air National Guard of a State, Territory, or the District of Columbia is a necessary condition precedent to appointment as a commissioned officer in the National Guard of the United States or the Air National Guard of the United States. As a result, it is considered necessary to amend sections 57 and 58 of the National Defense Act (32 U. S. C. 1; 4), which prescribe the composition of the National Guard, as well as section 217 (b) of the Armed Forces Reserve Act (66 Stat. 486; 50 U. S. C. 941 (b)) which makes provision for appointment of women as commissioned officers in the Armed Forces for service in certain specified reserve components. A revised draft bill considered legally sufficient to accomplish the purpose for which intended is submitted herewith. It is recommended that the revised draft bill be substituted for H. R. 7290, 84th Congress.

The Department of the Army is unable to estimate the fiscal effect of this proposed legislation. The cost would depend upon the number of individuals commissioned and their activity in the National Guard and Air National Guard training programs.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that there is no objection to the submission of this report to the Congress.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, there is printed in parallel columns the text of provisions of existing law which would be amended by the various provisions of the bill.

EXISTING LAW	THE BILL
Section 57 of the Act of June 3, 1916, as amended (32 U. S. C. 1): "The militia of the United States shall consist of all able-bodied male citizens of the United States and all other able-bodied males who have or shall have declared their intention to become citizens of the United States, who shall be more than seventeen years of age and, except as hereinafter provided, not more than forty-five years of age, and said militia shall be divided into three classes, the National Guard, the Naval Militia, and the Unorganized Militia."	Section 57 of the Act of June 3, 1916, as amended (32 U. S. C. 1), is further amended by inserting after the words "forty-five years of age," the words "and of female citizens of the United States who are appointed as commissioned officers of the National Guard under section 58 of this Act,".
Section 58 of the Act of June 3, 1916, as amended, (32 U. S. C. 4): "The National Guard of each State, Territory, and the District	SEC. 2. Section 58 of the Act of June 3, 1916, as amended (32 U. S. C. 4), is further amended as follows:

EXISTING LAW

of Columbia shall consist of members of the militia voluntarily enlisted therein, who upon original enlistment shall be not less than seventeen nor more than forty-five years of age, or who in subsequent enlistment shall be not more than sixty-four years of age, organized, armed, equipped, and federally recognized as hereinafter provided, and of commissioned officers and warrant officers who are citizens of the United States between the ages of eighteen and sixty-four years: *Provided*, That former members of the Regular Army, Navy, or Marine Corps under sixty-four years of age may enlist in said National Guard."

The first sentence of Section 217 (b) (66 Stat. 486):

"Women may be appointed or enlisted as Reserves in the Armed Forces of the United States for service in the Army Reserves, the Naval Reserve, the Marine Corps Reserve, and the Air Force Reserve, as appropriate, in the same grades, ranks, and ratings, as are authorized for women in the Regular component of the appropriate Armed Force of the United States."

THE BILL

(a) Insert the word "male" immediately before the word "citizens" where it appears in that section; and

(b) Delete the colon preceding the proviso at the end of the section, substitute a comma in lieu thereof and insert the words "and female commissioned officers appointed to serve as nurses and medical specialists who are citizens of the United States, at least twenty-one years of age, are graduates of hospitals or university training schools and registered nurses if appointed to serve as nurses, and have the physical and other qualifications prescribed by the Secretary of the Army:".

SEC. 3. The amendments made by section 1 and section 2 of this Act apply to the Air National Guard of the several States, Territories, and the District of Columbia, and the authority granted therein to the Secretary of the Army with respect to the National Guard is granted to the Secretary of the Air Force with respect to the Air National Guard.

SEC. 4. The Armed Forces Reserve Act of 1952 is amended as follows:

(a) The first sentence of subsection 217 (b) (66 Stat. 486; 50 U. S. C. 941 (b)) is amended to read as follows: "Subject to section 222 (a) of this Act and if otherwise qualified, women may be appointed as Reserve officers of the Army or Air Force for service as nurses or medical specialists in the National Guard of the United States or Air National Guard of the United States, as appropriate. Women may be appointed or enlisted as Reserves in the Armed Forces of the United States for service in the Armed Reserve, the Naval Reserve, the Marine Corps Reserve, and the Air Force Reserve. Women are appointed or

EXISTING LAW

THE BILL

enlisted in the grades, ranks, and rating authorized for women in the Regular component of the Appropriate Armed Force of the United States."

(b) A new section 715 is added as follows:

"SEC. 715. Except as otherwise specifically provided, laws applicable to male officers and former officers of the National Guard of the United States or the Air National Guard of the United States, and to their dependents and beneficiaries apply in like cases to female Reserve officers and female former Reserve officers of the National Guard of the United States or the Air National Guard of the United States, respectively, and to their dependents and beneficiaries. The husband of a female member of the National Guard of the United States or the Air National Guard of the United States may not be considered a dependent unless he is in fact dependent on his wife for over half of his support, and the child of such a member may not be considered a dependent unless he is in fact dependent on his mother for over half of his support."

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Calendar No. 2715

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2670

PROVIDING FOR THE APPOINTMENT OF CERTAIN OFFICERS IN THE GRADE OF REAR ADMIRAL IN THE RETIRED RESERVE TO THE GRADE OF VICE ADMIRAL IN THE RETIRED RESERVE

JULY 19 (legislative day, JULY 16), 1956.—Ordered to be printed

Mrs. SMITH, from the Committee on Armed Services, submitted the following

REPORT

[To accompany S. 4075]

The Committee on Armed Services, to whom was referred the bill (S. 4075) to provide for the appointment of certain officers in the grade of rear admiral in the Retired Reserve to the grade of vice admiral in the Retired Reserve, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS TO THE BILL

On page 1, line 5, strike out the words "in the Medical Corps".

On page 1, lines 9, 10, and 11, delete "as amended, which authorizes the promotion of certain officers who prior to their retirement were specially recommended for performance of duty in combat" and add "as amended."

At the end of the bill add the following new section:

SEC. 2. No increase in retired pay shall accrue by virtue of an appointment to the grade of vice admiral made under the authority contained in section 1 of this Act.

EXPLANATION OF THE AMENDMENTS

The amendments are intended to make the provisions of the bill applicable to all members of the Retired Reserve of the Navy who come within its terms, instead of only the Medical Corps, and to provide that the appointments authorized would not increase the retired pay to which any officer affected is entitled.

PURPOSE OF THE BILL

This bill proposes to authorize the appointment to the grade of vice admiral in the Retired Reserve of any officer who served on active duty in the Naval Reserve during World War II in the grade of commodore and who upon retirement was promoted to rear admiral because of having been specially commended for his performance of duty in actual combat.

EXPLANATION

Section 211 of the Reserve Officer Personnel Act of 1954 had the effect of abolishing the grade of commodore in the Naval Reserve. Section 702 (f) of that act authorized appointment in the grade of rear admiral in the Retired Reserve of any Reserve officer holding an appointment in the Retired Reserve in the grade of commodore. The Judge Advocate General of the Navy ruled that Reserve officers in the grade of commodore who were in an active status on the effective date of the Reserve Officer Personnel Act of 1954 were entitled to be advanced to the grade of rear admiral, since the grade of commodore no longer existed.

Some of the officers affected were entitled under the provisions of section 412 of the Officer Personnel Act of 1947, as amended, to be advanced upon retirement to the next higher grade than that in which they were serving at the time of retirement because of their having been specially commended for their performance of duty in actual combat. The interaction of these provisions of law had the effect of denying to those commodores who had retired prior to the effective date of the Reserve Officer Personnel Act of 1954 the one-grade advancement based on their special commendation for combat duty, since they were entitled to be advanced to the grade of rear admiral irrespective of their special commendation. By contrast, Naval Reserve commodores still in an active status on the effective date of the Reserve Officer Personnel Act, and who held special commendation for the performance of combat duty, were entitled to advancement to the grade of rear admiral under the Reserve Officer Personnel Act of 1954, and to the grade of vice admiral under section 412 (a) of the Officer Personnel Act of 1947, when they retired.

This bill is intended to place those officers of the Naval Reserve who were specially commended for the performance of combat duty and who had retired prior to the effective date of the Reserve Officer Personnel Act of 1954 on a parity with those Naval Reserve commodores who were still in an active status on the effective date of that act. It would serve to give effect to the advancement authorized on a basis of their combat citation.

COST

Enactment of this bill should not result in any increased cost to the Government, since a specific provision prevents any increase in retired pay to the officers affected.

DEPARTMENTAL RECOMMENDATION

The Department of the Navy, on behalf of the Department of Defense, recommended against the enactment of this bill as it was

introduced. The bill as it has been amended would apply to all members of the Retired Reserve who qualify under its terms, instead of only to those who served in the Medical Corps. The committee adopted the suggested amendment to make clear that advancement to the grade of vice admiral will carry with it no increase in retired pay.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington 25, D. C., July 16, 1956.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services,
United States Senate, Washington 25, D. C.

MY DEAR MR. CHAIRMAN: Your request for comment on S. 4075, a bill to provide for the appointment of certain officers in the grade of rear admiral in the Retired Reserve to the grade of vice admiral in the Retired Reserve, has been assigned to this Department by the Secretary of Defense for the preparation of a report thereon.

This bill would authorize the President to appoint to the grade of vice admiral in the Retired Reserve any officer who served on active duty in the Medical Corps of the Naval Reserve during World War II in the grade of commodore and who upon retirement was promoted to rear admiral because of having been specially commended for the performance of duty in actual combat.

There were five Reserve officers of the Medical Corps who served on active duty during World War II in the grade of commodore. One of these officers is still on the active status list; one was retired as a rear admiral by reason of combat citation; and the remaining three were appointed to the grade of rear admiral in the Retired Reserve under section 702 (f) of the Reserve Officer Personnel Act of 1954, which section authorized the President to appoint to the grade of rear admiral in the Retired Reserve any Reserve officer holding an appointment in the Retired Reserve in the grade of commodore. This bill would benefit but one of these officers, Rear Adm. Don S. Knowlton, Medical Corps, who served during World War II as a commodore and who upon retirement was advanced to the grade of rear admiral by reason of a combat citation.

In addition to Rear Admiral Knowlton, there are 6 other retired Reserve officers and approximately 60 retired Regular officers who served in the grade of commodore during World War II and who were advanced on retirement to the grade of rear admiral by reason of combat citations. None of these officers would benefit by this bill.

The Department of the Navy recommends against the enactment of this bill as no reason is apparent why the one Reserve officer of the Medical Corps who would be affected by this bill should be advanced beyond the grade of rear admiral. Should your committee, however, give this bill favorable consideration, it is recommended that the following section be added in order to make it clear that the advancement to the grade of vice admiral will carry with it no increase in retired pay:

"SEC. 2. No increase in retired pay shall accrue by virtue of an appointment to the grade of vice admiral made under the authority contained in section 1 of this Act."

The Department of the Navy has been advised by the Bureau of the Budget that there would be no objection to the submission of this report to the Congress.

Sincerely yours,

N. J. FRANK, Jr.,
Captain, USN,
Acting Director, Office of Legislative Liaison
(For the Secretary of the Navy).

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